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Latin America

FBIS-LAT-95-180
Monday
18 September 1995

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OAS Approves Declaration on Nuclear Testing

FL1609142195 Bridgetown CANA in English 1404 GMT 16 Sep 95

[FBIS Transcribed Text] Washington, D.C., Sept. 16, CANA - The Permanent Council of the Organisation of American States (OAS) has approved a Declaration on Nuclear Testing that expresses deep concern about the French Government's recent nuclear test explosion on the Mururoa atoll in the South Pacific.

The declaration "firmly urges that government reconsider its decision to resume nuclear tests in the South Pacific".

The declaration, approved by consensus, also requests the governments of all nations that possess nuclear arms to "refrain from all nuclear testing".

After renewing the commitment of all the OAS member states to work for the full consolidation of the regime established in the Comprehensive Test Ban Treaty (CTBT) in 1996, the Permanent Council warned that carrying out such tests in the South Pacific "poses a potential threat to the health and security of the inhabitants of coastal countries, their living resources and their environment and does not take into account the precautionary principle embodied in the Declaration of Rio on Environment and Development and in other regional agreements".

The text of the Declaration was presented during an extraordinary session of the OAS Permanent Council by the Chairman of the Committee on hemispheric Security, Ambasador Luiz Augusto de Araujo Castro, of Brazil.

The first of a planned series of underground blasts carried out at Mururoa triggered a worldwide storm of outrage.

EC Announces Hurricane Aid to Caribbean

FL1609011295 Bridgetown CANA in English 2234 GMT 15 Sep 95

[FBIS Transcribed Text] Bridgetown, Barbados, Sep 15, CANA — The European Commission on Friday [15 September] announced an aid package of 900,000 European Currency Units (about 1.25 million U.S. dollars) for some Caribbean countries battered by Hurricane Luis last week.

The relief is for members of the African, Caribbean, and Pacific (ACP) grouping of developing countries linked to the European Community through the Lome Trade and Aid Pact. A statement from the mission, released in Bridgetown by the Caribbean delegation of the European Commission, said the emergency aid is intended to respond to the basic needs of those affected — plastic sheeting, water containers, blankets, and basic health supplies. The aid will be distributed over a three-month period.

The Commission, according to the statement, is offering assistance to "the populations of the French overseas territory in Guadeloupe (Saint Martin, Saint Barthelemy, and the mainland), several of the Dutch Antilles (Saint Maarten, Saba, and Saint Eustatius), and the UK dependent territories (Anguilla, the British Virgin Islands, and Montserrat) as well as ACP countries in the Antilles. "

These countries suffered substantial losses when Luis roared through the Caribbean September 6-9, causing more than a dozen deaths and millions of dollars in damage to crops, hotels, stores, and other businesses, houses, and roads.

Report: 'Appreciable Decline' in Foreign Capital

FL1609124695 Bridgetown CANA in English
1951 GMT 15 Sep 95

[FBIS Transcribed Text] Bridgetown, Barbados, Sept 15, CANA - In the first eight months of this year, there was an appreciable decline in foreign capital flows to countries in the western hemisphere region as well as a change in their composition.

This conclusion is contained in a publication entitled "Economic Panorama of Latin America 1995" put out by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC).

"If present trends continue, net inflows this year will be about US30 billion dollars, half of the average amount between 1992 and 1994.

"This volume of net flows will be achieved through direct investment and through official loans (bilateral and multilateral) that went mainly to support the balance of payments in Mexico and Argentina," the report states.

In contrast, portfolio investment (bonds and shares) and some short-term deposits fell substantially, especially in the first months of the year.

"In 1995, the total foreign debt of the Latin American and Caribbean countries will be approximately US545 billion dollars, a nominal increase of 4 per cent with respect to 1994," the ECLAC document adds.

It predicts that the ratio between the region's foreign debt and exports of goods and services will fall again, due to the vigorous expansion of foreign sales.

The decline is projected to be from 276 per cent to approximately 235 per cent, the lowest figure since 1980. In addition, despite an increase in international interest rates, in 1995 the ratio between interest payments and exports of goods and services will fall for the ninth consecutive year, to 17 per cent, its lowest level since 1978.

In terms of gross domestic product (GDP), output growth for Latin America and the Caribbean will be in the region of less than 2 per cent in 1995, a rate substantially lower than the 3.6 per cent average during the 1991-1994 period, the document states.

The main reason for the decline in regional growth is the performance of Mexico and Argentina. According to preliminary estimates, the dispersion of growth rates will be very similar to 1994: two countries with growth at or above 7 per cent (this year, the high-growth countries are Chile and Peru), three with zero or very low rates (Argentina, Uruguay, and Venezuela), Mexico in a severe recession, and most of the rest with growth between 3 per cent and 5 per cent.

The average inflation rate in Latin America and the Caribbean will fall dramatically in 1995, as Brazil consolidates the success of its stabilisation plan.

"During the first half of 1995, the labour situation for the region as a whole deteriorated in relation to 1994; there was a considerable increase in the level of unemployment and real wages tended to fall," ECLAC states.

This poor performance was due to difficult macroeconomic conditions, which led to low growth of internal demand in some countries. In other cases, high growth rates enable countries to reduce the level of unemployment.

Nonetheless, the economic review attributed the higher activity level in the latter group was based mainly on improvements in productivity, which in some instances allowed salary increases, but limited the generation of productive employment.

For the first time since the beginning of the decade, it is likely that in 1995 Latin America will have a positive trade balance.

"The most important reason for the change is a 20 per cent jump in the value of the region's exports, mainly because of continuing improvement in the prices of primary products," the ECLAC document explains.

This increase compares with an average annual rise of only 6 per cent in the 1991-1994 period.

Trends in imports will also contribute to the improvement in the trade balance, since they will probably grow by only 8 per cent this year as opposed to a 17 per cent average increase between 1991 and 1994. The lower growth in imports is particularly pronounced in Mexico and Argentina.

"Factor payments will rise from 34 billion in 1994 to around 38 billion in 1995, principally because of higher interest payments, attributable both to an increase in the total amount of the foreign debt and higher rates. Under these circumstances, the current account deficit will probably fall to around 30 billion, considerably less than in recent years.

Cuba

Commentary Analyzes Relations With U.S.

PA1609011995 Havana Radio Rebelde Network in Spanish 1700 GMT 14 Sep 95

[Commentary by Orlando Contreras]

[FBIS Translated Text] These days the U.S. Congress is deeply immersed in discussions related to next year's budget. Since the White House and the Capitol would seem to coincide on the need to reduce the fiscal deficit, it would be logical if some congressional representative would demand a scrutiny of all of the administration's expenditures with respect to Cuba including, most naturally, the intelligence community, and its enclaves in the academic world, foundations, as well as other civilian organizations.

We have a pretty good estimate on how much damage the three decades or more of blockade has caused the Cuban economy and therefore its people. However, we might well be offended if it was ever known how much funds have been spent by nearly 12 successive yanqui administrations in their attempts to crush our country.

If to all of this we were to add all private contributions — those not paid by the U.S. taxpayer — the exact figure could have an exponential factor that would stagger even Ripley.

Bureaucracies tend to be spendthrifts and inefficient, but not to such an degree as to prevent this constant feature of U.S. policy during practically four decades from being conceptualized based on a cost-benefit relationship.

All these expenditures incurred are probably stipulated in accounting reports which no one has even cared to scrutinize, or maybe its recorded on ice somewhere.

However, what benefits do paranoid proposals such as the odious Helms-Burton bill initiative and the Torricelli bill, both of which have been packaged for fools and illiterates as Act for Democracy in Cuba, or even the economic blockade as a whole, possibly represent to the American Union?

These distinctly anti-Cuban polices are not known to have caused any benefits to workers in Chile, or to U.S. steel and petrochemical workers, the powerful truckers union, housewives, farmers in the Midwest, intellectuals, entertainers in New York and California, or even to U.S. business sector.

If there are no known benefits for society, then it would be rational to infer that this policy's benefit to Washington lies in the damages it causes the Cuban people. If the cost-benefit relationship of this anti-Cuban policy lies in the ruin caused to the Cuban people, then something that Cuba has been aware of since the early days of the revolution becomes clear; the constant feature of Washington's power elite for more than 30 years is its determination to destroy Cuba without even considering the costs such a policy may represent to U.S. society.

If today Washington has decided to combine extremely tough measures such as the Torricelli bill and condensed versions such as the Helms-Burton proposal, with more subtle penetration tactics, it is because they have finally begun to perceive that Cuba's socio-economic policies, expressed in the reforms sovereignly approved to benefit the country, are slowly improving our economy and therefore the damages caused by all anti-Cuban policies have begun to be mitigated.

If the final objective of the U.S. anti-Cuban cost-benefit policy has always been Cuba's downfall, then currently, little by little, such an infamous benefit has already begun to wane.

On the other hand, their costs would seem to be on the rise.

Chief Party Analyst Discusses Political Reform

PA1509185495 San Salvador Canal Doce Television in Spanish 1200 GMT 11 Sep 95

[Interview with Roberto Regalado, chief of the analysis section of the International Relations Department of the Communist Party of Cuba, by Mauricio Funes; from the "Up-to-Date Newscast" — live]

[FBIS Translated Excerpt] [passage omitted] [Funes] During this interview, we have received a number of telephone calls. I have here a question for you, Don Roberto, asked by Carlos Aviles, who is a devoted viewer and collaborator of this program. He asked you the following question, if you have an answer: What type of investor is Roberto Vesco, and how does the Cuban economy benefit from his investments?

[Regalado] I do not know him; I do not believe he is a Cuban investor. I am unaware of what types of investment he is making in Cuba.

[Funes] I asked you this question because it was a question asked over the telephone. Let us continue with our conversation. We are talking about — it is one of the theses you maintained in the first part of the interview — how the economic changes are, in one way or another, having an impact on a type of institutional or state reform. This is, of course, being seen from the broader context of a political reform. What does the institutional and political reform embody in Cuba?

[Regalado] Well, all these years, Cuba has developed a process to change its political system. When the revolution succeeded, there was no evolution [evolucionalidad]. A government was created, and it was a government that did away with the previous institutionality, which elections could have supported or sustained, but which was a fierce, atrocious, and corrupt dictatorship. During the first years, the initial task of the revolution's leadership was to preserve it. It is not until the 1970's, the mid 1970's, when it was decided that the initial phase of defense and consolidation of the political power was over. This is why they moved on to the institutionalization, which allowed a renovation and a continuity.

We had a political system that was based on municipal, provincial, and national elections — that is, the National Assembly of the People's Government [ANPP], which, in turn, elects a Council of State and a Council of Ministers. This is how... [pauses] up until the previous period, we had indirect elections; citizens elected municipal delegates, and the Assembly of Municipal Delegates elected the provincial delegates, who, in turn, elected the National Assembly, which, in turn, elected the authorities.

Beginning with the last elections, the direct and secret vote was introduced. In other words, all delegates to the ANPP and all deputies, including Fidel Castro, are elected through direct and secret vote. An election must be held in which people could vote for him. If he gets the votes, he gets them, and if he does not, he does not. The Assembly does elect the authorities, thus ensuring a substantial modification to the political system: the introduction of the direct and secret vote for electing authorities, even at the national level.

The Assembly mechanisms are getting more dynamic: the creation of commissions and public audiences are mechanisms we did not have before. The Assembly now has public audiences. We now have something called the Workers Parliament, where deputies visit each factory, each district, each school, each neighborhood to discuss the bills with people. This is a system of search; it is a system in which people interact and participate in the broadest fashion possible. I believe it is a system that could be perfected.

As I was saying not long ago, I do not believe that the way we are doing things today and the way the political system is working today are how things necessarily have to be in 10, 15, or 20 years. Today we have the political system we have, pardon me, the government system we have, because it is the system that meets today's needs.

[Funes] What special interest groups have political and ideological alternatives that are clear and specific enough to compete in an election?

[Regalado] At this moment, there is no room for them in Cuba.

[Funes] Why not?

[Regalado] Because there is no room; because the main task is to defend the revolution and to preserve the political power.

[Funes] How could the defense of the revolution endanger the political and ideological pluralism allowed there?

[Regalado] There is no way. The thing is that you have to take into account that we are in a country that is not the testing ground for democracy. It is a country facing the world's most powerful nation, the United States, which, for 36 years, has maintained active policies of blockade, isolation, harassment, aggression, and attempts to murder our authorities. These policies still exist. These policies are maintained even now that it is trying to approve the Helms Law. All these political groups to which we must supposedly give democratic opportunities respond to the interests of that large power, and that large power is financing and organizing them. Therefore, we are not talking about giving an opportunity in a society in which there could be pluralistic ideas under the same conditions. In this case, we are referring to people who are elements responding to a foreign power that wants to destroy the revolution, that wants to do away with socialism, that wants to annex Cuba to the United States. This is the major ambition it has had historically, and there is no room for it.

[Funes] Tell me something. To what extent could this threat resulting from the participation of other political alternatives endanger the progress of the revolution and the revolutionary process itself in Cuba. A few moments ago, you said that there is no instability or dissatisfaction in Cuba. Yet, could people not seek a working political alternative to compete with the Communist Party of Cuba [PCC] on an equal footing?

[Regalado] We can provide opportunities for debates and the greatest possible participation of the society in the defense of its interests. May I repeat. The manner in which we are doing things in politics at present is not necessarily the way we will be doing them in five or 10 years. I have said many times that, to me, socialism is not synonymous with a ration card. Socialism does not mean not having a car and instead riding a bycicle. That is not socialism. That is a necessity we are experiencing at present. Socialism is something else. It means the existence of a well-stocked market. Something similar occurs with regard to the form of government. To me, socialism means having a formula, not necessarily a uniparty formula, that permits true democracy, a government of the people and for the people, with the broadest possible participation of the people.

[Funes] Not all Cubans are PCC members, however.

[Regalado] That is true.

[Funes] There may be other Cubans who want to create other political parties to compete with the PCC in elections.

[Regalado] I would say that, as long as subversive groups, hostility, an isolationist policy, or a policy to destroy the Cuban Revolution exist, I do not see an opportunity for what you mentioned.

[Funes] That should be all right if what you people seek is to protect yourselves from the embargo, threats, and a hostile policy. But, what about those Cubans who want to go beyond what the political system permits, those who do not want to endanger the Cuban Revolution or undermine the progress attained in the past 30 years but aspire to a different political model and a greater degree of participation? Do they stand a chance?

[Regalado] We all aspire to that. I aspire to greater participation myself...

[Funes, interrupting] Within the PCC. But what about those who do not want to do it within the PCC?

[Regalado] I am a party member, and as such, I aspire to that also. But those who are outside the party aspire to that outside the party.

[Funes] How can these people express themselves this way organizationally, if the only available political option is the PCC? Still, there are other Cubans who do not belong to the PCC but aspire to a renovation process, as you legitimately do, but want to express themselves in a different way.

[Regalado] At this time, the Cuban people have opportunities for dialogue, debate, and even opposition. The people do not have to belong to the party to do this.

[Funes] But the opportunity you mention is for renovating or modernizing the PCC itself, not to present an alternative to the PCC.

[Regalado] That's right, not to present an alternative at present.

[Funes] This is precisely the nature of my question. I know this is not permitted at present. The reason, then, for this limited opportunity continues to be the existence of a threat, a hostile policy after 30 years. Is there not an opportunity for a greater opening?

[Regalado] There is the possibility for a greater opening within socialism. May I repeat. This socialism does not necessarily have to be a uniparty socialism. It can be different. I do not want to predict what the Cuban political system will be in the future in five, 10, 15, or 20 years. I think that there can be great changes and that there can be much more efficient ways than those we have today to express, not necessarily opposition, but perhaps disagreement or differing opinions on how to do things, how to manage the country's economy, how to allocate resources, how to deal with the municipalities' problems. I think we must work to improve the situation and permit debates, discussion, and even disagreeing viewpoints, to take place in a much more institutional manner. I think yes, we must do it. At present, however, we must preserve the project above anything else. We must preserve socialism and then improve it, because we cannot perfect socialism is we have no socialism.

[Funes] Pardon, me Mr. Regalado, does that mean that the possibilities of political transformation at this time can stem only either from a change of president or from the possibility of a presidential succession, but always within the PCC?

[Regalado] That is right. The possibilities of change right now in Cuba exist within the existing political system, namely, the ANPP, elections every four years. The deputies elect a new State Council and a new president of the Council of State.

[Funes] Haven't you been able to establish if people are unhappy because things are this way and not another?

[Regalado] In Cuba, the main problems we cope with are caused by the harshness of the economic situation. As it happens everywhere, we have, of course, people who have differing views on different things. We can say that in the latest elections, there was ...[pauses] if we add up the null votes, abstentions, and the rest, approximately 13 percent or 14 percent of the electorate did not vote. If we rule out that a voter overslept or went to the beach, we can take it as an indicator, if we want to...[pauses] if we want to, we can interprept it as an indicator of unhappiness, that 13 percent or 14 percent of the people in some way or another rejected the electoral process. Even if we multiply that figure to raise it to 24 percent, we think that the absolute majority of the people support the revolution.

We think that the fundamental concerns of people are of an economic nature. I think — and this is justifiably so — that there is a great deal of concern that we could improve things, be more democratic, or do a great many things, but the majority of the people support the revolution. Proof of that is no less than the fact that the big giant collapsed, the Soviet Union, with its nuclear warheads, collapsed, the entire socialist camp collapsed, and yet this little island of 10 million people is there, continues to be there, and will continue to be there. It has been there for five or six years. That cannot be achieved through repression or fear. That exists because the majority of the people want to recognize the work of the revolution and the outlook the revolution has, regardless of the difficult period it is going through.

[Funes] We have a few minutes to conclude this interview. We are talking with Mr. Roberto Regalado. On the matter of the process of political reforms in Cuba, do all the PCC leaders agree with these reforms?

[Regalado] Yes. We have debates in Cuba, as everywhere else. There are different views on the problems. This happens within the party leadership, the ANPP. I repeat, this is a process we are encouraging. We never had implemented this process of lawmakers' committees that hold public hearings, where citizens can express their views on different topics. For instance, the Foreign Investment Law was highly controversial. The Foreign Investment Law and the topic of allowing Cubans living abroad to invest in Cuba, in particular, were very controversial issues. Many deputies, many people, were against it. They argued that if relations have been difficult and hostile with at least part of that community for 36 years, if there has been a policy of supporting... [pauses] how can we allow them to come and invest now.

We had a serious debate in which it was argued that they cannot be banned from investing in Cuba, because they are Cubans living abroad, let us see who we are talking about, what is their attitude regarding the sovereignty of the fatherland and their possibilities of helping with their investment the economic development of the country, in general, the country where they were born. And so, we had a heated debate. I am giving just one example. The truth is our situation is such that we have nobody to imitate. Before, that was very easy. If the Soviets did something, we did the same. Now, our situation is extremely difficult, considering we are alone. In addition, there is no recipe. The little book, the bible, that used to tell us how socialism was made vanished. Therefore, any need to make a decision entails a debate. It entails the fact that there are different views and stances. That action allows us to establish a consensus on the direction the country must take.

[Funes] What is President Castro's attitude regarding this debate?

[Regalado] To encourage this debate, I think. To encourage having more debates all the time. He has spoken on many occasions against unanimity, that is, an assembly that raises its hands, rather where all deputies raise their hands, or a party congress where all delegates raise their hands and fully agree with everything that has been done, and there is no dissent. We must do away with that, because debates are an asset as we search for options.

[Funes] Can there be a transition in Cuba without Fidel Castro?

[Regalado] I think there is much talk about Fidel Castro. He is a historic leader of the Cuban Revolution. His great merit has been, first, that he headed it, and second, that he guided the revolution through these 36 years, during the good and bad times. President Fidel Castro is a man, and as such he is mortal. The fundamental thing in our country is to guarantee institutions that are capable of renewing themselves and of guaranteeing that President Perez, President Gonzalez, or whoever, may come after President Castro, without altering the essence of the process.

[Funes] Doesn't that mean that you are waiting for the succession to take place after President Castro dies?

[Regalado] No, I am saying that in every system of government, when a president ceases his functions, whether because he is not reelected since there is no reelection or because the president dies, someone else comes to take his place. That is a normal and natural process. I do not think that the revolution will collapse after Castro's death, if that is what you are asking, or that the system will undergo a radical transformation. I think that there is an ongoing process of transformation, which will be implemented now and after.

[Funes] Do you know that that is exactly the idea that exists abroad? It is felt that the Cuban Revolution has been fundamentally, although not exclusively, articulated around the figure of President Fidel Castro. You say the Cuban president is a man like any other, a mortal like any other, but he has unique characteristics. Outside Cuba, he is seen as a man who has wielded power with a strong hand, he has even been regarded as a dictator, in the last 30 years of Cuban history. He is also seen, of course, as the main creator of the Cuban policy and state. My question is along that line, looking at things from the outside, mainly because that is the image one seldom has of the role the Cuban president has played. Most of the changes that have taken place in Cuba have been allowed because he opened the door. If he closes it, then, those changes go nowhere.

[Regalado] The fact that president Castro has been the historic and natural leader of the Revolution and has remained in power for 36 years means that his participation is fundamental. It would be absurd to deny it. I do believe that we have made sufficient progress, I mean, this is not a tyrannical government devoid of foundation or support. No, no. We have a whole system of government based on municipal, provincial, and national elections and a party that has over 1 million members and also has municipal, provincial, and national entities. There are different kinds of means that allow the system to grow and guarantee that leaders, even President Fidel Castro, can be replaced.

The functions of the state, and this has been one of the president's concern, include guaranteeing that we have a political system that does not allow chaos but allows continuity and evolution, and makes it possible to find new leaders through a natural process who can guarantee the continuity of the system. I do not believe the Cuban Revolution is called Fidel Castro. Fidel Castro is the leader of the Cuban Revolution...

[Funes, interrupting] Are there successors to this leadership? My question does not intend to identify the Cuban Revolution with Fidel Castro. However, you yourself have said it: he is the born leader of the Cuban Revolution, and he has played an indisputable role inside and outside Cuba. Does a figure with this kind of leadership have successors at this moment?

[Regalado] Yes, but I would not view this as, let's say, a feudal problem of appointing a successor or a crown prince. Yes, I believe that many comrades in the party leadership, who now have positions at a national level or in provinces or in the foreign service, have the potential to assume greater responsibilities, including the presidency of the Council of State. In my opinion, trying to bet as to who will be a successor, either Tom, Dick, or Harry, would be to simplify the problem to a mere speculation, because it would not make sense.

[Funes] When are the next elections in Cuba?

[Regalado] Within two years.

[Funes] And within two years, although it may also be taken as a mere speculation, are there other candidates besides the Cuban president?

[Regalado] Well, in our system, candidates are chosen by the ranks and file. Voters propose individuals to run as candidates for municipal delegate, provincial delegate, and deputy. Voters choose among various candidates for the position of deputy, whereas the ANPP elects the president. This means that Fidel Castro was elected as deputy in his voting district, and the ANPP in plenum, through direct and secret votes, elected him as president of the Council of State. The presidential position is indirectly elected. [words indistinct]

[Funes] The people do not elect him directly, but they elect a deputy first, and the ANPP who...?

[Regalado, interrupting] It is similar to the British or Canadian parliamentary system or that of other places. Once deputies are elected, then the ANPP decides who will act as their authority, which is the Council of State and the Council of Ministers, and elects the president. This means that the election is indirect.

[Funes] Then, this balance of power has always been favorable to President Castro at the ANPP level?

[Regalado] This balance of power has always been favorable...

[Funes, interrupting] Could it change within two years?

[Regalado] I do not expect so. Nevertheless, there is the possibility from an institutional point of view [words indistinct]

[Funes] Everything is possible. However, in realistic terms, could we expect a change in the balance of power within two years?

[Regalado] No.

[Funes] What is the basis for your opinion?

[Regalado] The fact that I see the harmonious development of a coherent project that is taking place at an economic and political level. It is a very difficult project that is taking place at a very dramatic time for the country. Nonetheless, it is being sustained, first, by the moral, political, and historical guarantee given by this revolution's course, because these people have forged this revolution, which they have seen, examined, and made their own. Second, there is confidence that there is a future and that there are prospects, as it is being demonstrated. Hence, right now we need to consolidate the people's unity with our party and our ANPP, which is demonstrating that it can find a way, because we see the other alternative in Bosnia-Herzegovina, in Russia, and in all those places where there was a collapse, and what was left? What aid is being given by all those who were critics before? Therefore, we do not want that breakup, that division, and that hunger that those people are experiencing.

[Funes] We will end at this point. Thank you very much, Mr. Regalado, for your visit. Thanks to our viewers for watching us.

Robaina Comments on UN Role, Anniversary

PA1709203595 Havana PRENSA LATINA in Spanish 1716 GMT 17 Sep 95

[FBIS Translated Text] Havana, 17 Sep (PL) — Cuban Foreign Minister Roberto Robaina asserted today that Cuba defends a democratization process in the United Nations (UN) that will allow Third World countries to receive much more than instructions from it.

Noting the upcoming 50th anniversary of that organization, Robaina said: "In its 50th birthday, we have to try to get the United Nations to respond much more in accordance to its founding charter than to others who attempt to manipulate it."

In statements to PRENSA LATINA, Robaina indicated that we bring up the 50 years of the UN with the intention of determining if nations are really united, as they need to be.

The foreign minister said that Cuba acknowledges the work done by these international organizations, but it also believes that there is still alot to be achieved and, in this respect, the island wants to work from within.

Cuban authorities, including President Fidel Castro, have reiterated several times that they are opposed to the right to veto in the Security Council, which is held by only five countries in the world (the United States, France, the United Kingdom, Russia, and China).

The United Nations Will be 50 years old on 24 October. The event will be commemorated in a special three-day meeting. Approximately 150 chiefs of state or government from 185 member states have already confirmed that they will attend this meeting.

People's Municipal Assemblies Hold National Meeting

Castro, Lage Address Municipal Leaders

PA1709201495 Havana PRENSA LATINA in Spanish 0338 GMT 17 Sep 95

[Report by Javier Rodriguez]

[FBIS Translated Text] Havana, 16 Sep (PL) — Cuban President Fidel Castro today described as extraordinary the national meeting of the People's Government Municipal Assemblies that met in this city for three days.

Addressing the presidents of the 169 local governments who attended the meeting, the president highlighted the energy, respect, and total freedom with which those meetings were held.

One of the most important things achieved, he added, is the awareness that we have all looked at the municipal problems and that many things can be improved with few resources and some others without resources.

Fidel Castro observed that the dangers the country must face in this long battle can be reduced to a minimum with order and discipline and that Cuba is winning this battle.

He underscored the importance of ideological purity and of maintaining it in the revolutionary context and said that the horizon can be seen clearer now.

On his part, Cuban Vice President Carlos Lage mentioned several basic objectives that were defined at the meeting.

The objectives are: to work to improve the external financial imbalance with more production, to make the sugarcane harvest efficient, to continue working to stabilize the internal economy, and to attain greater discipline in the implementation of all tasks.

With regard to the latter point, Lage highlighted the complexity of the tasks and how difficult it was for the country to face the economic and political challenge. However, he asserted, victory is guaranteed with cohesion and unity.

The municipal officials at the meeting studied issues related to the banking system, the 1995 economic program, labor force problems, the national budget, and life in the rural and urban communities.

They also discussed the results of the projections in the education sphere, the work being done in the public health area, electricity perspectives, the effects of commerce, the food industry, and services, and their experiences in the operation of local organizations of the people's government.

National Bank President Francisco Soberon referred to the reorganization proposed in this activity, which includes operations that are independent from the central bank and the commercial bank, He also broached the future automation of the banking network, the monetary policy in force, and the furtherance of people's savings.

Economy and Planning Minister Jose Luis Rodriguez noted how, thanks to the measures adopted by the country's leaders, Cuba had won international credibility and said this was reflected in the interest shown by foreign investors, merchants, and the banking sector itself.

Efficiency is the most important mechanism to increase the entry of foreign exchange into the country, he pointed out and defended the need to have the necessary levels of discipline and said the economic system's primary weapon was planning.

He mentioned that the main objectives were to get the economy to grow further, to advance in the process of reorganizing the internal finances, to further the redesigning of the sector, and to work to gradually increase the amount of food for the population.

At this point, Fidel Castro stated that the government's economic efforts were to guarantee strategic matters amid the difficulties prompted by the U.S. blockade and the disappearance of socialism in Eastern Europe.

He called on them to be extremely careful in using the resources, to combat disorder to obtain a better distribution of the resources, and to vigorously oppose any sign of corruption "because we can take no other path than this one."

He observed that the sugarcane harvest is being accomplished with the right amount of vigor to increase production and explained the new ideas that are being applied to improve the growing and treatment of sugarcane crops.

Labor Minister Salvador Valdes reported that they were reorganizing the labor force in an orderly and gradual manner, to conform to the economic restructuring and the reorganization of business.

The available labor force's entry into the agriculture sector, the increase of social security benefits for a larger number of people who need it, and job availabilities for university and technical studies graduates, were also discussed at the meeting.

The Cuban president stressed the need to continue creating the best possible conditions to ease the reinsertion of the families who had emigrated to the city into the agriculture zones with the ensuing effect on the availability of houses, transportation, and water supply networks.

Basic Industry Minister Marcos Portal described the situation of the material available in the country to ensure the generation of electricity and home fuel, as well as the services given to new houses. He enumerated difficulties and solutions achieved in the upkeep and financing of such endeavors.

Vice President Lage noted the signs of recovery in the national economy and the improvement in the reorganization of the country's finances, important steps to further several productive activities.

Division General Ulises Rosales Del Toro, Revolutionary Armed Forces first alternate minister and chief of the general command staff, spoke of the experiences gathered by a government commission that visited a number of communities in several of the country's provinces and that made other studies.

Rosales described the way the Cuban people had resisted the U.S. blockade as a feat and summoned them to improve the work done by the municipal governments, strengthening the cohesion of all the factors surrounding the local sectors, as this will allow us to give more thorough attention to the population.

In this respect, Lage highlighted the importance of the ties with the local sectors as being traditional values upheld by the Revolution.

Finance and Prices Minister Manuel Millares announced that the year would probably end with a lower budget deficit than the one originally expected and broached the need to collect the taxes that have just been approved.

Fidel Castro explained that it would be impossible to maintain the achievements of the Revolution if the government does not collect the necessary revenues and maintain its policy of curbing the printing of money.

Important statements were made by the education and public health ministers, Luis Ignacio Gomez and Carlos Dotres. They underscored the success obtained in the furtherance of the current academic year and in improving hospital assistance even amid the country's economic difficulties.

Cuban Parliament President Ricardo Alarcon emphasized that the Cuban public health indicators are real and surpass the United States with regard to the number of physicians per populated centers. He added that more than 43 million people in that country no longer have access to this service.

Internal Commerce Minister Barbara Castillo highlighted the work to repair and give maintenance to the commercial and food industry and the control of illegal or incorrect activities with regard to the authorization to carry out private tasks in this area.

On this point, several of the people at the meeting commented on, among others, the political and ideological aspect of the battle to give the people better services and the rejection of manifestations that go against the ethical sense of the Cuban process.

Members of the Council of State, the Politburo of the Communist Party of Cuba and its first secretaries in the provinces, the presidents of the People's Government Provincial Assemblies, government ministers, and other guests participated in the meeting, which allowed municipal governors to obtain comprehensive information and to exchange opinions and experiences.

Political, Social Topics Discussed

PA1609161595 Havana PRENSA LATINA in Spanish 2054 GMT 15 Sep 95

[FBIS Translated Text] Havana, 15 Sep (PL) — Various political and social topics were discussed today at a meeting of presidents of the People's Government Municipal Assemblies (local government branches), which President Fidel Castro is attending.

In the morning hours of the second day of the session, those present heard a report from Basic Industries Minister Marcos Portal on the situation and prospects of that sector, particularly in the areas of electricity services and domestic fuel supply.

Several participants gave their opinion on the matter and presented various solutions being implemented in various parts of the country to benefit the population.

Afterward, Division General Ulises Rosales del Toro, first vice minister of the Revolutionary Armed Forces of Cuba gave a broad explanation on the life of urban and rural communities based on the experience gathered by a governmental commission that toured the nation.

Examples of the nature of the work carried out by government branches, grass roots organizations, and community members were presented after Rosales' speech.

Fidel Castro noted the need to implement simple solutions consonant with current times to resolve difficulties and satisfy local needs. He also stressed the importance of permanently strengthening direct work with communities at all political and administrative levels.

After yesterday's analysis of the country's current economic situation, the agenda for the meeting includes matters related to education, gastronomical services, public health, and the functioning of provincial governments.

Also present at the meeting were the members of the Council of State and of the Politburo of the Central Committee of the Communist Party of Cuba, the first secretaries of that organization in the provinces, ministers, presidents of the People's Government Provincial Assemblies, and guests.

Voters View New Council Presidents

PA1709180795 Havana Radio Rebelde Network in Spanish 1155 GMT 15 Sep 95

[Report by Pepe Suarez from the "Doing Radio" newscast]

[FBIS Translated Text] Out of 102 People's Councils in Havana, 57 currently have new presidents, who were elected at the recent People's Government elections. There were similar results at the municipal assemblies, work commissions, and different directorates in each one of the 15 localities in the capital city.

The first day of September marked the beginning of a new work schedule and reorganization of basic activities in each People's Council in Havana.

What do voters in the capital city think about the present management by the representatives of the Administration Council at the community level?

[Begin recording] [First unidentified speaker] I believe that the presidents of the People's Councils in the capital city have had a good start since they have more favorable administrative conditions to carry out their work. This means that they are getting more attention and also have better material conditions to carry out their duties in the community.

[Second unidentified speaker] I do believe that they have made great improvements. However, we must consider the work conditions they have. It is incredible that very late at night, they are engaged in activities like visiting homes. They encounter a million problems in this activity. I think that it is better for them to work in this fashion.

[Third unidentified speaker] At least in the district I live, located in the Plaza de la Revolucion Municipality, I have seen no change at all.

[Fourth unidentified speaker] I believe they have a greater determination to solve the housing problem.

[Fifth unidentified speaker] At the council, we are making every possible effort to improve gastronomy. However, some people are not helping. [end recording]

There are different opinions. Nevertheless, everything shows that in sensitive areas like housing, transportation, and food, discreet results are being seen. The beginning of the 1995-1996 school year was the testing ground for the new delegates, and they came out victorious. The start of the new presidents of the People's Councils in Havana has been encouraging. Let us wish them a happy sailing so they may conclude their term with the voters' full endorsement.

Session To Recall Jimaguayu Assembly Ends

PA1709040795 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 17 Sep 95

[From the "NTV" newscast]

[FBIS Translated Text] The third and last workday of a meeting, which started on 14 September at the Palace of the Revolution, concluded on the afternoon of 16 September. In the presence of Commander in Chief Fidel Castro, provincial and national party and government leaders, and the main representatives of mass organizations, the attendants debated a lengthy report presented by Domestic Trade Minister Barbara Castillo on domestic trade, gastronomy, and services.

Education Minister Luis Ignacio Gomez commented on the results and the scope of education work done amid the tense conditions of the special period. Meanwhile, Public Health Minister Carlos Dotres explained various aspects on the efforts being made in that vital front to continue offering medical services to the population despite the shortages and difficulties that characterize this phase.

During the afternoon session, Ricardo Alarcon de Quesada, the president of the National Assembly of the People's Government, commented on the international political situation, especially on the most recent U.S. political actions against Cuba. He underscored the high symbolic value of the fact that these three days coincided with the centenary of the Jimaguayu Assembly, where consensus and unity prevailed in the face of the struggle of the times as is the case for us at present:

[Begin Alarcon recording, in progress] ...in Jimaguayu from 13 to 16 September the meeting of the Constituent Assembly that produced on a day like today the third Constitution of the rebel Republic of Cuba. Comrades, if we went back to that phase, to Jimaguayu, but before to (Huaimar) or later to (La Yaya), we would see how among the richest and most prolific traditions of these people is the ability to do things, such as those we have done now, in these three days, as we recalled in these three days the deeds of our ancestors a 100 years ago.

The ability of the revolutionaries and the patriots to debate any problem, to discuss with frankness, to examine their problems with rigor, and to be always capable of reaching a consensus, to define common lines of actions, and to strengthen the combative unity of our people. I think that we have given those compatriots the best tribute: Demonstrate that 100 years later those virtues are still alive in us; that we are capable of debating, discussing, and reflecting, but to strengthen our common actions, to strengthen our unity. [applause]

Toward the end of the meeting, Comrade Carlos Lage Davila, secretary of the Executive Committee of the Council of Ministers, summarized the main aspects yielded by the rich analyses and reports heard during these meetings.

Fidel made the final assessment of the meeting, which he described as extraordinary in both the administrative and political levels. He thanked the participants for the valuable information they contributed about their daily realities.

Finally, meeting participants posed for pictures next to the commander in chief by the stairs of the Palace of the Revolution.

CTC Meets, Discusses Economic Issues, Union Role

PA1809044795 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 18 Sep 95

[Report by Pablo Rodriguez Gonzalez Rumbao from the "NTV" newcast]

[FBIS Translated Text] A CTC [Cuban Worker Federation] conference took place today in Havana's Plaza de la Revolucion Municipality. Economic assistance was the central issue of the debate.

[Begin Rodriguez Gonzalez recording] The delegates come from important centers that previously carried out the process that will conclude with the 17th Congress of the CTC. That is why, in most cases, the proposals were specific. Most of the discussion centered on economic efficiency, above all on how to reduce production costs and the rational use of resources. The role of the union in the restructuring of the labor force was also indicated.

[First unidentified speaker] As the comrade said, the role of the union is not only to be present in this process, but to see that the steps which have been established are not violated in the creation of this restructuring.

[Second unidentified speaker] We want all the administrations to be very careful in carrying out this process. Second, that no worker be left without a workplace. Fourth [as received], that no working mother be abandoned. Fifth, that the union be the center of this process.

[Rodriguez Gonzalez] The CTC is [words indistinct] vigorous movement [words indistinct] positions which are far removed from the formal commitment with the administration and more representative of the real representation of the rights and duties of the workers. [end recording]

GRANMA Finds National Defense Law 'Authentic'

PA1609020195 Havana Radio Havana Cuba in Spanish 1300 GMT 13 Sep 95

[From the "Morning Information Review" newscast]

[FBIS Translated Text] GRANMA has described the National Defense Law, which has been in effect on the island since February, as authentic and new. This law expresses the revolutionary essence of the socialist state. The new legislation, as opposed to other legislation, lends special importance to the people's participation and volunteer services in defending the revolution. The Cuban National Defense Law is comprehensive and broad and responds to calls to guarantee the island's sovereignty and to protect the population and the economy in case of attack or natural disaster.

Castro Speech Honors Olympic Athlete Quirot

PA1509220495 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 15 Sep 95

[Speech by President Fidel Castro at ceremony honoring athlete Ana Fidelia Quirot at Council of State building in Havana on 13 September; from the "NTV" newscast — recorded]

[FBIS Translated Text] Well, this is certainly a last-minute surprise. Ana Fidelia's idea was not part of the program. Because I see myself decorated for a few minutes — because only for a few minutes can I accept such a great honor — I also have to say something. Yes, and I have something to say, because I experienced this event very closely.

From the very first moment, when the painful and truly dramatic news arrived of Ana Fidelia's situation — when whether her life could be saved or not was being discussed — when the struggle was to save Ana Fidelia's life, there was no room for any other thought. Her condition was truly delicate. I had the opportunity to meet with the doctors who were treating her in the Almeijeira Hospital and learn in detail about the seriousness of the situation. She was conscious; I had thought of arriving without her noticing, but she found out and then wanted me to go and see her. I then saw the terrible suffering; there is nothing to compare the physical suffering of the tremendous burn in addition to the other problem associated with the girl. Both circumstances made things very difficult and were the source of incomparable pain and suffering. I have seen very few cases, really. This was the beginning of this young girl's struggle for life. Doctors carried out a great heroic deed and did so with great affection and with a tremendous resolve to reach the objectives.

I watched a television program that mentioned many doctors who worked on her afterward, but at that moment, I only recalled those who worked on her first, because it was a question of survival. Those doctors cannot ever be forgotten. They struggled, and in the end, they won the battle, they saved Ana Fidelia's life. It was truly a medical triumph. But we have triumphs in medicine every day. It is really what took place afterward that makes this triumph truly exceptional. Then came those who struggled so much to save the girl and afterward those who struggled to cheer her up, strengthen her spirit, encourage her during those times that were so difficult for the patient, while the incalculable pain and all sorts of discomforts continued. Doctors, psychologists, and other specialists continued their work until at last it could be seen that something else had been accomplished other than saving her life, saving Ana Fidelia's physical condition.

Afterward, another group of specialists worked very hard. I have already mentioned the psychologists and other doctors — but there were also the trainers, the instructors — in fact, the instructors even helped with the medical team as part of her rehabilitation to give her back as much health as possible. A later stage involved a broader stage of rehabilitation to struggle for Ana Fidelia to rehabilitate as an athlete.

All this was a great feat, but just as before, this feat is far greater thanks to Ana Fidelia's role. Here comes the other part: Without the doctors' work it would have been impossible for her to be an athlete again. What she did after that medical victory and the victory of the trainers would not have had the same significance and value had the two things not come together: a miracle of science and technology together with a miracle of human willpower.

We have witnessed one of the most extraordinary deeds ever seen in the history of sports in our country.

I am trying to recall, but no other example comes to mind similar to the example set by the determination, willingness, and devotion of Ana Fidelia to return to the race track and to again win the laurels she had won. This really seemed impossible. We saw her fighting, and we admired her iron will. We saw the results; news abounded on the first events when medicine and trainers still had a great deal to do. Then operations after operations were performed for her to be able to reach that minimum level of physical conditioning necessary to do what she wanted to do. All this made us have a great admiration, because the laurels of the gold medals were not necessary to admire the enormous willpower she had and the efforts everybody else made.

I believe that this gold medal, this 800-meter race world champion title is a well-deserved award for one of the biggest acts of solidarity and for one of the biggest efforts ever made in sports. I repeat: it seemed impossible. If someone had attempted to foretell it, he would have found very few people believing it was possible. That race is very hard. I recall that when I was a student, I attempted to run this race, and to run that distance, 800 meters. Those two laps require a major physical effort: it involves the lungs, the muscles. It is a hard, hard race. It is partly a distance race, but it is also a sprint. Everything has been so extraordinary. I understand that, yesterday, she was not taken there to run the 800-meter race. She was to participate in the 4-by-400 meter relay race. I understand that the results obtained in another competition were the determining factor for the idea to participate in the 800-meter race. Her trainer was not even there, which is proof that this race was not really being planned. He did not have to go, because her participation was not expected.

The news of the race came. I repeat: it is a hard race, a very hard race. We all had the expectation that it was going to happen. Unfortunately, we were not directly watching this competition; the news arrived later. Then, the surprising and incredible news arrived: Ana Fidelia had won the gold medal and had become the world champion of that distance race. Then we saw on television the pertinent footage of how the race went; it was an exciting race from the beginning until the end. What an end!

She was running in third place. Two runners were ahead of her. At this moment, the will and energy within her burst forth, and a feat was accomplished: She won that race.

I repeat: I view this as the greatest sports feat we have ever accomplished. We can also speak of a medical feat. We have accomplished many medical feats. Her effort gave added value to the medical and technical feats and to all the work and to everything else. She demonstrated an iron will, energy, persistence, the determination to win, to accomplish the impossible.

When the news reached Cuba we were all stunned, amazed.

We have accomplished many sports victory, but I do not think we ever heard of anything so impressive, and many impressive things have happened in this country. But never had anything been so impressive, nothing had stunned and moved every fiber of our souls and bodies as the report on that victory, on that feat, on that unprecedented deed. She gave us all an example, a lesson, which was necessary today more than ever: Never to consider ourselves defeated, never to see anything as impossible.

Ana Fidelia: History will always remember your feat. You may achieve many other accomplishments in sports; no one doubts you can, but this feat of yours cannot be surpassed by anything.

Our country's sports history will always be thankful; our people will always be thankful; all of us will always be thankful. Our country will remember what you accomplished that day, exactly one month ago today.

Thank you for the honor of allowing me to bear on my chest, for a few minutes, this medal you placed in my hands in acknowledgment of a people who deserve acknowledgment: our people. But this symbol will always be linked to your feat and to your name, and this is why I want to take the initiative of pinning this medal back on your chest. Thank you very much. [applause]

Mexico's Gurria Confirms on Policy Toward Cuba

PA1709203495 Havana PRENSA LATINA in Spanish 1700 GMT 17 Aug 95

[FBIS Translated Text] Mexico City, 17 Sep (PL) — Mexican Foreign Secretary Jose Angel Gurria has confirmed his government's irrevocable determination to maintain its policy regarding Cuba, a policy characterized by its support for the island's sovereignty and opposition to the U.S. blockade.

Gurria explained that Mexico's foreign policy will continue to uphold the fundamental principles of the countries' right to defend its sovereignty and self-determination.

In a speech given during his country's national holiday, the Mexican foreign secretary observed that there is no place for exclusion in the world and, quite the contrary, there have to be bridges of understanding between nations, especially if they are neighbors.

With regard to Mexico's relations with the United States, Gurria asserted that they are looking for a new understanding in the context of defending the human and labor rights of his fellow countrymen who live in U.S. territory.

"We will take special care to ensure that the foreseeable rhetorical clashes on migration issues do not end up as actions of hostility against the Mexicans," he asserted.

Mexican Official on Business Mission Visit

PA1609034195 Mexico City NOTIMEX in Spanish 2036 GMT 13 Sep 95

[FBIS Translated Text] Havana, 13 Sep (NOTIMEX) — A business mission from the State of Mexico today concluded three days of negotiations with commercial exchange agreements that may exceed $250,000, a Mexican Government source has told NOTIMEX.

"Several letters of intent were signed and other agreements were left pending for follow-up with the Cuban counterpart," Ernesto Monroy, general director of industry and mines of the State of Mexico, said this Wednesday.

He explained that "only Hifil Pinturas Corporation has three contracts for over $160,000, while other group members will design appropriate strategies to implement the agreements reached in various sectors of consumption goods."

The official termed "very successful" the result of the mission of 19 representatives of Mexican businesses, but indicated that the most important thing was the establishment of solid foundations for a lasting and long-term economic and commercial relationship.

He announced that before the end of this year, another group of businessmen from the State of Mexico will visit Cuba. It was impossible — due to logistical reasons — to include these businessmen in this delegation, which maintained over 150 interview with about 30 Cuban businessmen.

"This was the largest mission of businessmen from the State of Mexico to ever visit any South or Central American country," Monroy asserted. He remarked that Cuba is one of the most important markets for Mexican manufactured products.

"We want to promote the sales of textiles, industrialized food, toiletries, shoes, and final goods; while Mexican State businessmen view the quality of pharmaceutical and biotechnological products made in Cuba with great interest," he stated.

Mexico last year had a $162-million favorable trade balance with Cuba, and the first quarter 1995 accumulated balance is $98 million, according to preliminary information.

Monroy reported that the members of this mission, led by Rafael Garay, under secretary of economic development of the Mexican State Government, "came with enthusiasm and responsibility" and found a similar attitude from the authorities of the island.

They met with high-ranking officials from the Ministries of Foreign Investments, Foreign Trade, Tourism, and Higher Education, and considered the new Foreign Investments Law approved by the Cuban parliament attractive.

Monroy said that many firms from the State of Mexico are interested in establishing here merchandise warehouses, as established by the article on free zones of the new legislation to avoid unnecessary expenses.

He advanced that there may be investments and joint ventures in the tourism sector and the light industry because, according to him, Cuba has an important industrial infrastructure paralyzed now by its serious economic crisis.

The official stressed that the businessmen from the State of Mexico, with 13 million people and 18 percent of their country's gross domestic product, are not concerned, nor will they be affected by a possible tightening of the U.S. embargo against Cuba.

"Mexico and Cuba have maintained very strong political and diplomatic relations, and between the two peoples there is a special fondness and a friendship dating from way back. Cuba is a natural market for Mexico and we must be present here," Monroy concluded.

Cuba, Cambodia Sign Exchange Agreement

PA1509161295 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 15 Sep 95

[Report by Marta Moreno from the "NTV" newscast]

[FBIS Translated Text] Today Cuba's Foreign Ministry [Minrex] and Cambodia's Foreign Ministry of Foreign Affairs and International Cooperation signed an agreement to increase exchanges between both countries.

The cooperation agreement includes the exchange of information of mutual interest for cooperation in regional and international organizations and the exchange of visits among other aspects. After the agreement was signed, Cuban Foreign Minister Roberto Robaina thanked Ung Huot for signing this document, which further strengthens friendly relations between both countries.

Meanwhile, the Cambodian minister of foreign affairs and international cooperation said his government supports and will continue supporting everything the Cuban Government does for its people.

Moreover, Minrex today honored athlete Ana Fidelia Quirot at a simple but moving ceremony. The Cambodian delegation, Minrex workers, Parque Marti's workers, and neighbors from the community were present. When Roberto Robaina congratulated Quirot in behalf of Minrex workers, he said: The athlete will have other feats, but they will never be more important than that of making everybody participate in her race for life.

Cambodian Minister Rejects U.S. Blockade

PA1709033995 Havana PRENSA LATINA in Spanish 1400 GMT 16 Sep 95

[FBIS Translated Text] Havana, 16 Sep (PL) — Cambodian Foreign Minister Ung Huot has said that his government rejects the U.S. blockade against Cuba. He also expressed said he is satisfied with the results of talks held with local authorities.

In an interview published today by daily GRANMA, Ung — who brought a message to President Fidel Castro from King Sihnouk — recalled the close links between both leaders and praised the agreement recently signed by the Foreign Ministries of both countries.

Ung said that this agreement will promote an expansion of bilateral ties in various spheres and thanked Cuban Foreign Minister Roberto Robaina for the attentions received.

Ung arrived in Havana on 13 September on a visit described as official and friendly. During his meeting with Robaina, he said that his visit to the island is an important step to strengthen and develop bilateral ties. During their visit which will end today, Ung and the members of his delegation covered a tight agenda of activities, which included meetings with Ernesto Melendez, Ricardo Cabrizas, and Carlos Dotres, ministers of foreign investment and economic cooperation, foreign trade, and public health, respectively.

They also met with Ricardo Alarcon, president of the National Assembly of the People's Government and toured centers of political, economic, and social interest.

Joint Vietnamese Commission Begins 16 Sep

PA1709223595 Havana Radio Havana Cuba in Spanish 1300 GMT 17 Sep 95

[From the "Morning Information Review" newscast]

[FBIS Translated Text] The Cuban-Vietnamese Intergovernmental Mixed Commission started its 15th Assembly at the Cuban Foreign Trade Ministry, Mincex, on 16 September. Ricardo Cabrisas, Cuban foreign trade minister, and Nguyen Cong Tan, Vietnamese agriculture and food industry minister, will head the two delegations.

The Vietnamese delegation's working agenda includes meetings with five Cuban ministers and visits to areas of socioeconomic interest. The protocol of this assembly, which will end on 22 September, will be signed on the evening of 21 September.

UK Science, Technology Minister Arrives

PA1809014595 Havana Radio Havana Cuba in Spanish 0000 GMT 18 Sep 95

[FBIS Translated Text] Ian Taylor, British science and technology minister, arrived on Sunday [17 September] in Havana for a five-day official visit that is intended to follow up the work program between his country and Cuba; and to exchange views on new bilateral projects.

Taylor is accompanied by British businessmen from various sectors who are interested in exploring the possibilities of investing in the Caribbean island.

The British official's ample work agenda includes an interview with Cuba's Science, Technology, and Environment Minister Rosa Elena Simeon, Foreign Trade Minister Ricardo Cabrisas, and Foreign Investment and Economic Cooperation Minister Ernesto Melendez.

Bahamas

Pindling Criticizes Airline Bribery Report

FL1509190295 Bridgetown CANA in English 1521 GMT 15 Sep 95

[FBIS Transcribed Text] Nassau, Bahamas, Sept. 15, CANA - Opposition leader Sir Lynden Pindling expressed disappointment following findings of a Commission of Inquiry which accused two former government ministers of receiving bribes on an airline contract.

The commissioners found that both men Darrell Rolle and Philip Bethel accepted bribes to influence the state owned airline to buy aircraft from Boeing of Canada.

It recommended that further investigations, "with a view to prosecution," be carried out. Rolle and Bethel are now opposition MPs.

Sir Lynden, who served as prime minister from 1967-1992, said that his Progressive Liberal Party (PLP) "has taken under close study" the commission's report.

He said that Bethel and Rolle have been given time to consult with their families, political colleagues and constituency leaders on the most appropriate course of action each should take.

Those consultations are in progress and are expected to be completed "in the next few days," said Sir Lynden.

He said that a more definitive statement and a plan of action will be announced when the consultations have been completed.

The commission found that the manner in which the Boeing payments were made - through second parties - was in each case "merely a device to attempt to conceal the payments of bribes to Bethel and Rolle," both former Bahamasair chairmen.

The commission's reports on Bahamasair and the Bahamas Telecommunications Corporation were tabled in the House of Assembly by Prime Minister Hubert Ingraham Thursday [13 September]. The commission was headed by Sir William Douglas, Barbados' retired chief justice.

A third report on the Hotel Corporation of the Bahamas has been delayed pending an appeal before the Privy Council involving former prime minister Sir Lynden Pindling, the corporation's longest serving chairman.

Among other things, the commission said that Bethel's usurpation of the board's powers and his ongoing interferences in the day-to-day operations of the airline "was disastrous."

The commission has also recommended that investigations be carried out with a view to prosecuting Nassau businessman Edward Williams and his partner, Frederick Murray, in connection with the Boeing commission.

Evidence before the commission showed that Boeing of Canada paid a total of 1,140,000 to Sovereign Aircraft Ltd, a Bahamian registered company, as commission for the sale of the three Dash-8s.

Sovereign, controlled by Miami resident Duncan Rapier, was to promote the sale and release of the planes to Bahamasair.

Rapier knew nothing about Dash-8s and had no expertise in the sale of aircraft.

Sovereign transferred 786,000 of the 1,114,000 to two company accounts in Nassau controlled by one of two of the principals in another company, Famona Investments Limited. Famona's principals were Edward Williams and Fred Murray. Famona was to "provide information and advice," and "take correct steps" so that Sovereign could sell the planes.

The commission said that Bethel must accept full responsibility for a more than 100 percent increase in the airline's losses during his tenure in office.

The commission was headed by Sir William Douglas, Barbados' retired chief justice.

The cumulative deficit moved from 27.2 million in 1984 - the year Bethel became chairman - to 63.4 million at the end od 1990.

The commission also pointed to the "inordinate growth" of the work force - from just over 500 employees in 1984 to 925 at the end of 1990.

And it commended [as received] strongly on the impropriety of four fictitious annual general meetings - supposedly held from the years 1985 to 1988 - during the chairmanship of Bethel.

While the work force increased by about 80 percent, the available seat miles flown by the company dropped by 12 percent to 349.1 million.

Bethel, said the commission, allowed the overstaffing to get completely out of hand.

On the fictitious meetings, noted the commission, Bethel testified that he would never have signed if the meetings were not held.

Barbados

New Police Commissioner Takes Charge 16 Sep

FL1509142895 Bridgetown CANA in English 2243 GMT 14 Sep 95

[FBIS Transcribed Text] Bridgetown, Barbados, Sept 14, CANA - The Royal Barbados Police Force is to have a new Commissioner of Police, following the retirement of Commissioner Orville Durant after 13 years at the helm.

Deputy Commissioner Grantley Watson takes over this Saturday [16 September], a day after Durant officially retires.

Watson, 51, who was recently elevated to the post of Deputy Commissioner from Assistant Commissioner, is a 31-year veteran of the force.

An attorney-at-law, Watson joined the police force in 1964, working his way up to the position of top cop.

In 1970, he was promoted to corporal; nine years later he was made sergeant, followed three years later in 1982 to station sergeant; inspector in 1984; assistant superintendent in 1988; senior superintendent in 1990 and assistant commissioner in 1992.

At the same time, Assistant Commissioner Lionel Thompson has been promoted to the rank of Deputy Commissioner of Police, while Senior Superintendent of Police Dudley Waldron is to assume the post of Assistant Commissioner.

Superintendents of Police David Jackman Simon Baptiste will be promoted to Senior Superintendents.

Two Assistant Superintendent, Courtney Brathwaite and George Gabriel move up to Superintendent and two inspectors Carlton Lashley and Glenville Gale.

As well, there have been 20 other promotions involving ranks from constable to station sergeant.

Haiti

Aristide Urges Citizens To Vote, Maintain Security

PA1609001195 Port-au-Prince Signal FM Radio in French 1030 GMT 15 Sep 95

[From the "Waking Up" newscast; passages within quotation marks are Aristide recordings in Creole]

[FBIS Translated Text] The Haitian president toured the upper central plateau on 14 September, arriving in Hinche yesterday morning to a crowd of several thousand impatient people. The president delivered a very long address to a large and frenzied crowd on a range of emergency measures designed to help develop this area of the country. The head of state took the opportunity to invite his partisans — who came in droves to give him an ovation — to go to the polls en masse on 17 September and vote in the legislative and local runoff elections:

"You must help me — help me watch, help me listen, help me speak, help me catch them...[pauses to allow for applause] it is particularly important on Sunday that you help me read what is written there once again. We will vote! We will vote! We will vote! [crowd shouts with Aristide]

"We will vote on Sunday! We will vote on Sunday! I will end this morning's talk right here, with words concerning Sunday. I call on the entire Haitian people, all Haitian citizens, Haiti's political parties, all Haiti's authorities, all Haiti's citizens to join hands so that next Sunday our respect can be demonstrated in peace. We want to respect the rights not only of those who say they will vote but also of those who say they will not vote. We do not want political parties setting fires and spoiling the elections. Keep an eye on them! Keep an eye on them! Keep an eye on them! [crowd responds: "We are keeping an eye on them!"]

"Any political party has the right not only to participate in the elections but also to not participate. Although the head of state is carrying out his duties and exercising his rights in renewing his willingness to respect the rights of all political parties and the rights of all citizens who say they will not vote, the head of state insists that no one repeat crooked dealings of the past when they sent people to set fires."

The president asked the national and interim police forces to work closely together to maintain the current climate of security. Jean-Bertrand Aristide also invited Haitians to break with the Haitian Armed Forces, which he claims is responsible for all of society's woes:

"You must always respect what I have told you. I respect what I am telling you. We can rid ourselves of cases of insecurity if we respect this. Haitians must know that there can be no respect without security. Security and respect are two sides of the same coin, are one and the same thing. This is a chance for us to feel that we have accomplished something to which we would want to sign our names. We would show that we had uprooted, removed, and killed the old roots of the Army that was killing people."

The president reported financial aid figures for this area: 13,646,384 gourdes for agricultural development; 12,142,682,201 gourdes to repair major roads; and 3,333,313 gourdes to build a road linking Mirebalais and Pont-Sonde.

"[Words indistinct] you have what? Do all of you have land to work? [crowd answers: "No!"]

"Those who asked me for land, I told you I gave it to you as early as 1 May. The papers have been filled out. You have received it. Honor! Honor! [crowd answers: "Respect!"] [traditional peasant greeting]

"Papaye Peasants Movement, I said on 1 May that you have 500 carreaux [one carreau equals 1.29 ha or 3.19 acres] of land. The papers have been filled out. You have received it. Honor! [crowd answers: "Respect!"]

"Land reform nationwide is be carried out within the law, in dignity, without conflicts among us, without problems among us, without fights for land, but [words indistinct] a state that respects itself, that respects the Constitution so that land reform can take place, so that everybody can be happy, so that we can plow the land in the manner of Charlemagne Peralte, so that we can produce food to eat, so that we can have work to do. I come again today to bow to all Haitians and to tell you that I love and respect you. Let us raise the flag of respect even higher together."

Informed sources report that Haitian President Jean-Bertrand Aristide returned to Port-au-Prince yesterday afternoon. This is the Haitian head of state's fifth tour of a provincial city. This tour falls within a series of tours he has been making of Haiti's provincial cities since his return to power.

Low Turnout, Calm Noted at Legislative Elections

PA1709183195 Mexico City NOTIMEX in Spanish 1703 GMT 17 Sep 95

[FBIS Translated Text] Port-Au-Prince, 17 Sep (NOTIMEX) — Electoral sources have reported that the second round of legislative elections in Haiti are taking place in a calm climate and with little participation by the people.

In this second round of the 25 June elections, 83 deputies, 18 of the 27 senators, and approximately 100 mayors for several cities in the interior of the country will be elected. The difference between this Sunday's elections and the one of 25 June, when the circulation of private vehicles was banned, is that the climate is less tense and traffic is almost normal.

Discipline and greater efficiency by the officials in charge of the electoral process was evident at most of the polling stations located in several neighborhoods of this city. Approximately 30 voting booths were installed at a school in Petion-Ville, a middle-class neighborhood on the outskirts of this city, but observers noted that few citizens are going to vote. Few people have shown up to vote in Tabarre too. Tabarre is another residential neighborhood to the north of the Haitian capital city and the place where President Jean-Bertrand Aristide voted amid an impressive security operation. With regard to the low voter turnout, Artistide said people had the right not to participate. International observers also visited the low-income Cite Soleil neighborhood and saw that the climate was similar to the climate in the rest of the city and that there was also low voter turnout at the polling stations. With the exception of Jeremie, Department of Grande Anse, a department to the southwest of Port-Au-Prince, the first reports coming from the interior of the country confirm the voters' weak turnout. Polling station presidents have reported that they do not know the actual rate of participation because the voting process will end at 1800 (2200 GMT).

Approximately 500 foreign observers from the OAS, the United Nations, and several other international organizations, are observing the progress of these elections. According to local analysts, the Lavalas coalition will win most of the electoral districts due to Artistide's popularity and the boycott against the opposition parties that protested against the way the 25 June elections were held.

According to a source from the Provisional Electoral Council, the counting of the votes will start immediately after the polling stations close, and the first partial elections will be reported on Sunday night.

Elections: 10-15 Percent Turnout; Results 28 Sep

PA1809021695 Paris AFP in Spanish 0114 GMT 17 Sep 95

[FBIS Translated Text] Port-au-Prince, 17 Sep (AFP) — Participation in the run-off legislative elections held in Haiti on Sunday to elect eight senators and 55 deputies amounted to between 10 and 15 percent, according to the spokesman of an international election observer mission. The spokesman also said the elections were uneventful.

According to OAS spokesman John Enright of Canada, the turnout was low, particularly in Port-au-Prince, but higher in the country's interior.

Despite the low turnout, President Jean Bertrand Aristide's Lavalas coalition expects to attain an overwhelming parliamentarian victory.

On Sunday night, the Provisional Electoral Council [CEP] congratulated itself for the proper unfolding of the process. The CEP, did not, however, provide voter participation percentages.

According to the OAS, half of the 3.7 million registered voters cast their votes in the first round of elections on 25 June.

In addition, Stanley Schrager, spokesman for the U.S. Embassy in Port-au-Prince, congratulated himself "first, for the good organization of the elections and, second, the degree of security, which was much higher than in the first round."

Numerous political parties boycotted these run-off elections, describing them as "a farce" and "fraudulent."

The importance of these elections resides in the political control of the parliament, which, among other tasks, intends to officially eliminate the Army, as Aristide has decided, following the Costa Rican model.

The results of these run-off elections will be released on 28 September.

Alleged Plotters Against State Security Released

PA1609005695 Port-au-Prince Signal FM Radio in French 1030 GMT 15 Sep 95

[From the "Waking Up" newscast]

[FBIS Translated Excerpt] Dieumaitre Lucas, a businessman who was arrested six months ago on charges of plotting against state security, has been released. Lucas and Patrick Bastien, a former Haitian Army officer, were arrested at the same time. Lucas told us via telephone that he was not abused while in detention and that he is very happy to be with his family:

[Begin recording, in Creole] [Lucas] [Words indistinct] I must tell you that when I entered prison, it was...[pauses] I entered very well. I was very well. They were very nice to me. I did not have any problems. My family saw me. My relatives came to see me. My friends came and saw that there were no problems. [passage omitted]

[Correspondent] If I understand correctly, nobody manhandled you or looked down on you while you were in prison.

[Lucas] Not at all. [passage omitted] [end recording]

Constantin Mayard-Paul, one of the lawyers defending Lucas, has said that Lucas should have been released long ago due to lack of evidence. [passage omitted]

[Port-au-Prince Radio Metropole in French at 1900 GMT on 15 September reports: "Major Patrick Bastien has been released. Bastien, who was imprisoned for plotting against state security, was released on 15 September, less than 24 hours after Dieumaitre Lucas —

another person accused of plotting against state security — was released."]

Jean Tatoune Arrested on Massacre Charge

PA1609005895 Port-au-Prince Signal FM Radio in French 1030 GMT 14 Sep 95

[From the "Waking Up" newscast]

[FBIS Translated Text] Jean Tatoune, a former opponent of the dictatorship of President Jean-Claude Duvalier who then moved close to the Haitian military regime, has been arrested in Ouanaminthe. He was involved in the Haitian military's slaughter of 28 people in 1994. Well-informed sources have reported, in Port-au-Prince, that Tatoune was arrested in northeastern Haiti, near the Haitian- Dominican border, on 9 September. A number of people were injured during the slaughter in the underprivileged neighborhood of Raboteau, in Gonaives, about 152 km northwest of Port-au-Prince. The same sources confirmed that Tatoune is still being held in Ouanaminthe.

Jamaica

PNP Conference: 'Open Disenchantment' in Ranks

FL1509143095 Bridgetown CANA in English 2133 GMT 14 Sep 95

[By Garfield Myers]

[FBIS Transcribed Text] Kingston, Jamaica, Sept 14, CANA - Jamaica's ruling Peoples National Party (PNP) was starting its 57th annual conference late Thursday [14 September], anxious to revitalise its structures in the face of apparent widespread political apathy and even a growing hostility to the traditional political parties here.

Against a background of polls which suggest that more than half the voting population would not vote in an election, open disenchantment in its own ranks as well as in the midst of its traditional opponent, the Jamaica Labour Party (JLP), PNP officials say the party will be pressing ahead with "a process of profound reform" which emphasises "relevance".

Like the JLP, the PNP is now striving to attract "young and bright" people and is even proposing a partial departure from the traditional, orthodox method of recruitment through the party's collective community groups.

The proposal, which party leaders say is a "necessary" response to the "very individualistic" inclination of Jamaicans in the 1990s, will be taken to the more than 3,000 party delegates for approval when the business sessions of the party begin Friday.

"What we have in mind to propose to the conference is to put in place a kind of individual membership which at the same time does not make this person operate in the party as an individual", PNP General Secretary Maxine Henry Wilson told journalists in a pre-conference briefing.

"He may be able to join the party as an individual but he has to operate as a part of the collective and his accreditation as a member of the party has to be based on his understanding and subscribing to a set of norms," she said.

Henry-Wilson insisted that outreach programmes conducted by the party had made contact with "a lot of good people" who had expressed interest in joining the party.

Party leaders say that changing realities, including technological advancement, have significantly reduced the role of party groups which have traditionally been the very bedrock of the PNP.

"When the groups were more active, you never had any cable TV, satellite.... People had to come to the group to get information and to be able to pass messages to the leadership.... Now people can go to other forums to express their views or they can have a roadblock (demonstration) and they see it on TV," said she.

The PNP party conference takes place even as there is increasing momentum towards the formation of a third political party, led by political heavyweight Bruce Golding.

Golding, once the only obvious successor to opposition leader Edward Seaga, has fallen out with the JLP leadership and while apparently reluctant, is being pressed by a number of outspoken and high profile JLP dissidents as well as other interests to form what is being called a "third political force".

Political analysts say a number of one-time PNP stalwarts may also be influenced to join the proposed "third force".

A perceived inadequacy of accountability and absence of responsiveneses by government to public concerns as well as numerous cases of misspent public money, have all contributed to current political apathy here, analysts say.

But analysts agree that the failure of successive governments to engender "real economic and social benefits" for the majority of the population has also been a major factor.

"Bread and butter" concerns will vie with other "important" topics, including revitalisation of the party structure and reform of the Jamaican constitution, during the annual conference.

The recent devaluation of the Jamaican dollar from an equivalent of three US cents at mid-year, after more than a year of relative stability, to less than 2.80 US cents currently is certain to attract heated discussion.

The latest round of devaluations has triggered numerous price increases and has almost certainly rendered impossible the government's plan at the start of the fiscal year to contain inflation to one per cent per month.

Chronic social problems, including transportation, a badly run-down health sector and an increasingly expensive educational system, will also attract attention.

Patterson, who met with US President Bill Clinton Wednesday, is certain to make as much as possible out of the imminent termination of borrowing relationship with the International Monetary Fund (IMF) when he addresses party delegates in the private business session and party supporters in the open session on Sunday.

Jamaica has been heavily dependent on the multilateral lender for hard currency support since the late 1970s and the relationship has become a symbol of economic dependency.

"While we do not intend to engage in a bacchanal... we feel that after 22 years of this relationship and after the levels of sacrifices which have been demanded of the Jamaican people we cannot allow this impending occurrence to go unnoticed", said Henry-Wilson.

St. Vincent and Grenadines

Caribbean NGO's Support Challenge of Patent

FL1609120995 Bridgetown CANA in English
2034 GMT 15 Sep 95

[FBIS Transcribed Text] Kingstown, St Vincent, Sept. 15, CANA - Non—government organisations [NGO] in the Caribbean are among 350 worldwide groups that are supporting a legal challenge by India to a US-granted patent.

The challenge is being mounted by the Foundation on Economic Trends in the United States and the Research Foundation for Science, Technology and Natural Resource Policy in India.

They want the United States Trade Mark Office to immediately revoke a patent issued to the company W.R. Grace which, according to an appeal from the U.S. foundation, would give that company monopoly over the sale of a "highly effective pesticide extracted from the famed neem tree of India".

It is used in the preparation of pesticides, pharmaceuticals, fibre and food products. The invention, the foundation said, was developed by Indian villagers and scientists and used freely for generations throughout India.

Joan French, head of the Barbados-based Caribbean Policy Development Centre (CPDC) one of the agencies that signed the petition supporting the challenge, said this represents an example of concerns they have expressed over elements of the new international trading arrangements under the World Trade Organisation (WTO).

"We have been looking at the implications of the GATT (General Agreement on Tariffs and Trade) and trade and all the arrangements related to the WTO and their impact on third world countries, including those in the Caribbean," French said.

The NGO advocate said this was not the first example of exploitation in the area of genetic engineering since Dominica's indigenous Caribs also had to deal with an offer to research into their genetic composition in exchange for what was described as "some small thing."

"Genetic engineering is one of the most dangerous forms of potential unethical practice and exploitation that exists in the modern period and the arrangements under the GATT and the WTO facilitate that kind of exploitation by persons who are well placed to do it."

She said her organisation's concerns covers the lack of knowledge among Caribbean nationals about these trade arrangements and their implications they hold for such simple, everyday tasks.

"There is a critical need for the average person ... To understand what the implications of these trade arrangements are for very simple things like their ability for replanting a tree.

"Your genetic resources are taken out of existing material, people develop certain varieties which are resold to you although they drew on your own germ plasma base you cannot reproduce them so you have to return to the manufacturer to get those particular seeds to replant."

The CPDC has been among the agencies which have held sessions to deal with these and other trade issues but Ms French thinks governments need also to get more involved.

Carlyle Dougan Named New Deputy Prime Minister

FL1809014495 Bridgetown CANA in English 1758 GMT 17 Sep 95

[By Corlita Ollivierre]

[FBIS Transcribed Text] Kingstown, St. Vincent, Sept 17, CANA - Deputy Prime Minister Parnel Campbell, regarded as a popular candidate for Prime Minister Sir James Mitchell's job, Sunday announced his departure from Cabinet at month-end in the wake of a banking scandal. Campbell, who also holds the portfolios of Justice, Information, and Ecclesiastical Affairs, told the ruling New Democratic Party's (NDP) annual convention he would be returning to private practice as a lawyer from October 1. But Campbell, who retains the position of government backbencher, told cheering party members he would commit all his energy to ensure persons who were attempting to undermine government — a clear reference to the parliamentary Opposition Unity Labour Party (ULP) — would never be elected to power.

Campbell's borrowings from the locally-registered offshore Owens Bank prompted an opposition-led no confidence motion in Parliament last month. He said he would be available as a candidate in general elections, due in 1999, once it was the party's wish. The attorney general, who had served in this capacity for eight and a half years, will be replaced by Carlyle Dougan, a lawyer and parliamentary representative for East Kingstown.

Observing that his record, as perhaps the Caribbean Community's (Caricom) longest-serving attorney general, would be hard to beat, Campbell said he nevertheless relished his return to private practice and warned of his intentions.

"I am obliged to fight tooth and nail against those who have set out to destroy me and to undermine this government," Campbell said. "From this moment on, one of my earthly missions in life would be to prevent those people from ever getting into power in this country, and during the next three and a half years, I will devote every ounce of political skill I possess to achieve that objective."

Campbell, amid loud support from cheering party members, warned that the opposition had awakened a sleeping giant.

"In my new role as a government backbencher and as a lawyer in private practice, I will not, fortunately, be constrained by the niceties of ministerial office. I will be in a position to be openly and unambiguously political, especially now that I realise just how much those people in the opposition are afraid of me," said the deputy prime minister.

The opposition Unity Labour Party has been calling for his removal from office and resignation as a parliamentarian over a loan of over EC 225,000 (one EC equals 37 cents U.S.) from Owens Bank. Government regulations do not permit citizens to borrow from an offshore bank, all of whose business is normally restricted to overseas clients. The opposition party had also argued the bank deal with a senior government minister amounted to a conflict of interest.

Trinidad and Tobago

Public Servants Heed Union Call, Boycott Work

FL1609011395 Bridgetown CANA in English 2200 GMT 15 Sep 95

[FBIS Transcribed Text] Port of Spain, Trinidad, Sept 15, Cana — Operations at several government offices throughout Trinidad and Tobago were interrupted on Friday [15 September] as thousands of public servants heeded a call from their union to boycott work. The Public Services Association (PSA), which made the call to workers to shut down the public service, estimates that as much as 75 percent of its 35,000-strong membership supported the protest. There have been reports that staff at the hospitals and post offices stayed away from work in large numbers.

Up to late Friday evening, Government did not issue any official word on the situation.

"The overwhelming response from workers to our call shows that they are frustrated with government's refusal to pay outstanding arrears owed to them," said PSA President Clyde Weatherhead. "Therefore, the signal that we wanted to send today, we believe is fully sent — that the government must understand that this is not an issue with the executive of the PSA or with a few people in the public service. This issue affects thousands of people who are demanding that they be paid their correct salaries, and their arrears be addressed in a realistic manner," he told reporters.

PSA estimates that some TT2 billion dollars is owed to public servants for salaries and increments. These arose out of cuts in salaries and suspension in the Cost of Living Allowance (COLA) some eight years ago by a former Government to assist in stemming the decline in the economy. The union has rejected a Government offer of 68 million dollars to settle the debt through bond payments and surrender the payment for the increments.

"The offer, as it is, is unacceptable because it means that public servants would be underpaid — salaries and pensions would not be at the correct levels," said Weatherhead, adding that "government's arrogance could affect the lifespan of a public servant."

Paper Criticizes Lawyers' Visit to Cuba

FL1609171095 Bridgetown CANA in English 1617 GMT 16 Sep 95

[All quotation marks as received]

[FBIS Transcribed Excerpt] Port of Spain, Trinidad, Sept 16, CANA - Following is the text of the editorial in Saturday's [16 September] EXPRESS newspaper:

"Well, well, well. So a group of lawyers is off to Cuba to see if they can learn anything there that will help us to better administer justice here. Might have saved yourself a trip fellers, after all what is Cuba law but Castro's law.

All right, that might be stretching it a bit and there must exist in Cuba some legal foundation outside the whims of Castro and the Cuba Communist Party. But we fail to see how the Law Association team can hope to find in Castro's dictatorship legal mechanisms from which we can learn.

True the Association's president Mr Frank Solomon has sought to explain the trip thus: "It's part of the policy of this association to look beyond the boundaries of our jurisdiction. We're in distress at the failings of our legal system and its inability to fit the needs of a developing country and Cuba offers us the opportunity to study a wholly different approach to the administration of justice."

Too different perhaps? Cuba after all is a rigid police state where individual rights and freedoms do not amount to much and we are happy for Mr Solomon's assurance that his men "have no pre expectations. We don't think we will be able to transplant anything wholesale."

Well we should hope not. Indeed we would suggest that the entire team embrace the position of its youngest members who with youthful aplomb declared:

"I going for the lime. I want to see Cuban life, see how rich people live and how poor people live. I want to drink their rum, dance their music, smoke their cigars."

Now that we submit is reason enough to go on a Cuba jaunt. [passage omitted]

Secretary Gurria on U.S. Lobbying Firms' Advice

PA1609010395 Mexico City LA JORNADA in Spanish 13 Sep 95

[Report by Elena Gallegos and Nestor Martinez — received via Internet]

[FBIS Translated Excerpt] Secretary Jose Angel Gurria has disclosed that the Foreign Relations Secretariat [SRE], in coordination with other Mexican government institutions, is seeking the advice of several U.S. lobbying firms to counteract the "very" open campaign against Mexico's image and name being carried out in that country.

The official explained that they are working to devise a policy of "new understanding" with the northern neighbor in an effort to prevent unilateral and discretional measures.

Gurria bitterly criticized a national party — clearly the PRD [Party of the Democratic Revolution] — as he pointed out that the information that this party sent to the European Parliament on the events that took place in Chiapas on 9 February 1995 was "flagrantly" inexact. He regretted the fact that when, for many reasons, one resorts to international entities, what really happens is that one harms even more the country's image abroad. [passage omitted]

In order to dispel doubts, Foreign Secretary Gurria said: "We Mexicans are deeply uncomfortable when someone tells us how and when we must be democratic and whether we are adequately democratic or not. We have always rejected this attitude, and if the EU democratic clause implies intervention, we will reject it." [passage omitted]

The state secretary urged the parties represented in Congress to devise foreign policies based on a "broad national consensus."

He explained that the most feasible thing to do in this matter is to leave behind the partisan differences, adding that if foreigners see that we are internally divided, "then they will come here faster and will make us doubt our own objectives and our basic principles."

Regarding the parties' repeated accusations on the weak action being carried out to defend immigrants, Gurria maintained that there is a deep concern about the emergence of hostile attitudes and policies against Mexicans living abroad.

At the beginning of his speech, prior to the questions, he affirmed the following: It does not stop being paradoxical that, while the fall of real and ideological walls strengthens international peace and security, certain people in the United States intend to erect new barriers such as physical barriers and barriers of discrimination and repeal of universal rights.

To close the issue, he listed the actions on which the consulates in the United States have embarked and underscored that there are no elements suggesting that Proposal 187 could spread to other U.S. states.

As for the insistence that Mexico had not resorted to international forums to report on discriminatory and anti-immigrant movements, the Mexican official voiced his confidence that the judge handling the case will determine its unconstitutionality, adding that the fight is talking place in the best venue possible: the U.S. courts.

No to Multinational Forces

Drug trafficking was one of the key issues during the meeting Gurria and legislators held. On this regard, he explained that the challenge lies in not violating sovereignty and "not allowing undesirable interventions" in the manners in which drug trafficking is fought. [passage omitted]

With regard to the repeated references to the DEA and its cooperation "beyond" all limits PRI [Institutional Revolutionary Party] Legislator Carlos Reta Martinez made, the foreign secretary commented the following:

The limits of this cooperation are the ones mentioned in the agreements (here he explained that there is an exchange of intelligence information, which does not mean that there is espionage going on). When the SRE detects that these agreements have been violated, it reports them to the proper entities.

"Obviously, the position of both the SRE and the judicial and justice administration institutions is invariable: all the parties involved in this common effort must strictly and closely adhere to the agreements we have."

Sovereignty Is Not in Jeopardy

Gurria's face was visibly disturbed as he listened to the strong questioning of PRD Deputy Rosa Maria Cabrera. She, by the way, demanded him to explain, based on solid foundations, why he had said that the information submitted to the European Parliament on the case of Guerrero was false.

The matter is that when the foreign secretary simply referred to the falseness of the information, without explaining about what event he was talking, everybody recalled the European Parliament resolution on the Aguas Blancas massacre — Gurria called it a massacre, too. However, he was referring to Chiapas, where the Army retook its positions.

However, what seemingly bothered Gurria was the fact that Deputy Cabrera had said that there was no vision of [word indistinct] in the foreign policies. One wonders where is the gap?, the secretary asked. He also asked, in a transparent and candid fashion, how sovereignty could be defended even more.

A little desperate — he had been at the microphone for almost seven hours — he repeated the following: What he had tried to explain here is that the economic sovereignty has not been and is not in jeopardy, because we did not subordinate it to the financial support. We would have never accepted that price.

As he had done with many other issues, in this occasion also used the traditional phrase "you are right" — he had said it when he was questioned if he did not think it was dangerous to depend so much on the United States — as he responded to Cabrera that the nature of the threats to national security goes beyond the protection of the borders and that it has to do with capital flows, drug trafficking, money laundering, gunrunning, environmental problems, and the preservation of the environment.

PRD legislators insisted on the issue of double citizenship. He answered as follows: there are no cases whatsoever. Instead, he talked about the drafting of an initiative aimed at enabling Mexicans living in the United States to become citizens of that country and exercise their political rights without losing the Mexican nationality.

Finally, regarding the handling of Mexico's image, in reference to an alleged question the PAN [National Action Party] made concerning the payment of $10 million to a lobbying company, he affirmed that, at this time and as part of the tasks the office at his charge is performing, it will be essentially significant to make public what is still going on here to ensure foreigners will have information allowing them to have objective opinions on Mexico.

Secretary Gurria added that, as part of those tasks, lobbyists will continue to be hired and denied that the Mexican image that is being disseminated throughout the world is a "triumphant" image. In this regard, he maintained that distortions on what is going on will not be allowed either. He recalled that, in early 1995, it seemed as if Mexico was falling apart, judging by what was being said abroad. "The distortions," he concluded, "considerably harm the country."

Senator Seeks To Prevent U.S. Border Nuclear Dumps

PA1709150995 Mexico City NOTIMEX in Spanish 0004 GMT 17 Sep 95

[FBIS Translated Excerpt] Ciudad Juarez, 16 Sep (NOTIMEX) — Luis H. Alvarez, chairman of the Mexican Senate Ecology Commission, has asked the Secretariat of Foreign Relations to intercede with the United States to prevent the installation of nuclear dumps at the border.

Alvarez indicated that he asked the Secretariat of Foreign Relations to make, through diplomatic means, the United States respect the Binational Agreement, in which both nations are banned from burying nuclear waste in a 100-km-wide strip along the border. Alvarez said the Sierra Blanca nuclear cemetery, which the United States intends to install, is only 20 km from Ciudad Juarez, in the northern Mexican state of Chihuahua, in a place that is considered prone to earthquakes. In addition, the pockets that provide water to the Juarez-El Paso region in Texas are located at the planned site, the Mexican legislator affirmed.

Alvarez explained that this endangers the lives of millions of people who live in this region along the Rio Bravo, because a crack in those deposits would have "fatal" consequences.

Alvarez reported this Saturday in Ciudad Juarez the beginning of negotiations to prevent the installation of toxic dumps at the U.S.- Mexico border, negotiations that were attended by ecological groups of both countries. [passage omitted]

Secretary Gurria on Possible Agreements With EU

PA1509171795 Mexico City REFORMA in Spanish 13 Sep 95

[Unattributed report — received via Internet]

[FBIS Translated Text] Foreign Secretary Jose Angel Gurria yesterday said Mexico will reject any political or economic association or cooperation agreement if it implies interference in the country's democratic process.

"No trade agreement is worth having someone coming in here and telling us how to organize our internal affairs," Gurria said before senators and deputies in regard to a possible agreement with the EU.

During the meeting which lasted more than seven hours, Gurria noted that it is a strategic mistake and "makes us vulnerable" to depend too much on one market, and for that reason we are seeking diversification.

He added Mexico wants an ample political, economic and cooperation agreement with the EU in order to substitute the current inadequate agreement. Nevertheless, if this group of nations tries to introduce a democratic clause, the agreement will be immediately rejected, he said.

Gurria added that the U.S. Government has offered in good faith helicopters to aid in the fight against drug trafficking. The problem is that afterward, other U.S. sectors want to evaluate Mexico's efforts in this area, which is meddling in our internal affairs.

The opening to world markets like the EU, Asia-Pacific, Latin America and the Caribbean are instruments of a foreign trade policy to compensate the existing large dependency on the United States.

"Mexico regards Latin America and the Caribbean as priorities in its economic and political relations. For this reason, Mexico is interested in participating in all hemispheric and regional meetings to seek cooperation agreements."

Legislators questioned the fact that Carlos Salinas de Gortari was allowed to use the foreign service "to graciously flee," to which Gurria responded that the former president has the same rights as any other citizen to turn to diplomatic representations.

"The moment the Foreign Ministry receives a request from the Attorney General's Office to summon not only him but any other person, we proceed immediately," Gurria told the legislators.

Legislators from the four parties questioned the fact that President Ernesto Zedillo did not mention foreign policy in his state of the nation speech and criticized the "economic" trend of foreign relations.

Secretary Gurria Delivers Speech on Relations

PA1709180495 Mexico City NOTIMEX in Spanish 2015 GMT 16 Sep 95

[FBIS Translated Text] Mexico City, 16 Sep (NOTIMEX) — Mexico wants to have relations with countries that respond to the state of law, democracy, social development, economic development, and the strengthening of culture, Foreign Secretary Jose Angel Gurria reported today.

"We don't see the world with fear...on the contrary, we see it as a backdrop of great opportunities for national development," so we want a respectful relationship of dialogue and support for mutual prosperity with our neighbors," Gurria stated.

Speaking before President Ernesto Zedillo, government officials, and diplomats accredited in Mexico, the foreign relations secretary said that the country assumes the challenges of relations with foreign countries.

"With international support, resources have been channeled toward the stabilization of the economy and have sustained recovery, without compromising the sovereignty of the nation," Gurria added on the occasion of the 185th anniversary of the independence of Mexico.

While delivering the main speech of the independence activities, the foreign secretary remarked that, with regard to the United States, there is "neither systematic opposition nor unconditional support."

"We want to build a relationship characterized by just treatment, of mutual respect and understanding in which differences do not taint the general course of the ties," he added, standing next to the monument of the Angel of Independence, in downtown Reforma Avenue.

"There is no room in the world for building walls of exclusion, only room for the bridges of understanding, the political realism that today requires confidence between nations, especially between neighbors," Gurria underscored.

The secretary noted that the Mexican Government is interested in defending human and labor rights of fellow Mexicans abroad, so special care will be taken regarding the attacks against immigration, expressed in acts of hostility against fellow citizens.

Prior to the military parade presided over by President Zedillo, the official recognized that drug trafficking is the main threat to national security, and fighting it is a common objective with the United States. However, he remarked, disagreements must be avoided.

He stated that Mexico will use all legal means to fight drug trafficking, but "we will not allow the intervention of foreign powers in our territory to do what only Mexicans should do for the national interest and the very defense of the nation.

The chief Mexican foreign policy official explained that the policy of the country toward Latin America is a priority, through the strengthening of dialogue and political accords.

The intent is to expand free trade and regional cooperation, which maintain peace and promote development, as well as to consolidate a "privileged partnershhip" with Central America, Gurria added.

Mexico's policy toward Cuba is not changing and favors its integration into the hemisphere, while the government of the island is looking to Europe, strengthening its presence in the Asian Pacific region, and promoting stances in keeping with its transformation.

Mexico is a nation that is growing stronger thanks to its communities abroad, thanks to its work toward peace and justice, as well as by the specific weight it carries as a nation in the world.

Commenting on the internal situation of the country, Gurria stated that democracy becomes consolidated in the country through the strengthening of the party system, which allows for a reassessment of a new relationship with the government.

"Party competition for governments is closer and more legitimate each time, while criticism is made openly and favors the reflection and exchange of ideas within the framework of democracy," the envoy commented.

The foreign relations secretary asserted that "it is unacceptable to resort to international forums to discuss differences that can be resolved here. Consequently, differences should be resolved with responsibility and patriotism by the Mexicans."

Zedillo Promises Financial Aid to Nuevo Leon

PA1609202195 Mexico City XEW Television Network in Spanish 0430 GMT 15 Sep 95

[From the "24 Hours" newscast]

[FBIS Translated Text] Speaking to hundreds of people at Santa Lucia neighborhood in Escobedo, President Ernesto Zedillo said that despite the opinion of certain pessimists, nothing will stop Mexico's effort to forge ahead.

[Begin Zedillo recording] Nothing will stop us because together we are building a country of laws, where we will all be equal under the law. [end recording]

The governor of Nuevo Leon State asked Zedillo for direct financial aid in the form of a capitalization program for small-scale industrialists, a program whose cost would be shared by the federal government and the state on a 50-50 basis.

[Begin Zedillo recording] Through the allocation of resources, the federal government is willing to participate with 15 million new pesos in the program the governor has referred to. [end recording]

Zedillo also said that federal public investment will also be encouraged for the rest of the year, to stimulate the economy.

[Begin Zedillo recording] For this reason, I have been told, Nafinsa [National Finance Bank], has allocated 650 million new pesos, which will be disbursed to the state during the rest of the year, to finance new projects and expand micro-, small, and medium-size enterprises. [end recording]

Zedillo added that the crisis has already bottomed out and is now experiencing a small and gradual recovery, which will improve in 1996.

Deputies Leader Reacts to Audit Report

PA1609030395 Mexico City XEW Television Network in Spanish 0430 GMT 14 Sep 95

[From the "24 Hours" newscast]

[FBIS Translated Text] Reaction to the report that the Oversight Commission of the Federal Treasury Audit Office of the Chamber of Deputies presented yesterday has been mixed. Humberto Roque Villanueva, leader of the Chamber of Deputies, has said that the Federal Treasury Audit Office's report only deals with the results of 1993, and does not determine if there are charges to be assessed:

[Begin Villanueva recording, in progress]...is a technical, nonpartisan organization. It does not have anything to do with the fact that the president of the Oversight Commission of the Federal Treasury Audit Office is a National Action Party [PAN] member. What would be in any case reproachable is that the PAN deputy misused or distorted the information given by the Federal Treasury Audit Office. [end recording]

He said that examination of the Contingency Fund is entirely inappropiate:

[Begin Villanueva recording, in progress]...because the Contingency Fund was neither diverted nor disappeared. It was simply used to repay the domestic debt. This is the right thing to do from the economic policy standpoint. [end recording]

The Chamber of Deputies leader was interviewed as he and President Ernesto Zedillo were arriving at an function in Chapultepec woods.

Tijuana Mayor Welcomes Chinese Delegation

PA1709042495 Mexico City NOTIMEX in Spanish 2319 GMT 16 Sep 95

[FBIS Translated Text] Tijuana, 16 Sep (NOTIMEX) — PRC government officials arrived in this city of the Mexican State of Baja California Norte on a working visit to learn about the economic activities and potential development of this locality.

Tijuana Mayor Hector Osuna Jaime, who welcomed Qian Qizhi, director of the State Office of the Commission for Public Services, Structure and Administration, said that the visitors are reviewing commercial activities in this city.

The PRC delegation exchanged views and general aspects of regional development, as well as challenges the municipal economy has overcome. They also stressed that this city has a promissory future because of its strategic location in the international market.

Osuna Jaime offered support from the local government to facilitate their activities and reaffirmed his willingness to continue promoting economic, commercial, and cultural exchange with the PRC people, with whom Mexico maintains relations of friendship and mutual cooperation.

Debtors Say Agreement for Overdue Loans 'Unfair'

PA1609041595 Mexico City XEW Television Network in Spanish 0430 GMT 14 Sep 95

[From the "24 Hours" newscast — passages within quotation marks recorded]

[FBIS Translated Text] The Mexican Association of Bank Debtors has said that the Agreement for Immediate Support to Bank Debtors [ADE] is unfair.

This is not the only group objecting to the ADE.

El Barzon Movement members living in the capital appeared at the Bankers Club in Mexico City on 13 September to deliver a letter to Jose Madariaga Lomelin, president of the Mexican Association of Bankers [ABM]. Three El Barzon Movement members were received. Alfonso Ramirez Cuellar, El Barzon's leader in Mexico City, read the letter addressed to Madariaga:

[Ramirez Cuellar] "Your conditions for restructuring loans even defy the program that the Finance Secretariat and the presidency put together."

Madariaga told the press that the ADE has been decided upon and is final. He commented on the proposals that El Barzon Movement members in Mexico City delivered to him on 13 September and the counterproposal to one made by the Mexican Association of Bank Debtors:

[Madariaga] "The banking system should not just attend to the needs of debtors, at the expense of risking the guarantees alternate depositors must have. Some of the requests we have received are not feasible under market procedure."

Eduardo Fernandez, president of the National Banking and Securities Commission, told the press that of the 7.447 million clients who could benefit from ADE, it is estimated that 2.110 million debts will be restructured according to the terms of the agreement. He remarked that in the three days ADE has been operating, 505,000 bank customers have already restructured their credits:

[Fernandez] "ADE today shows 24 percent progress in relation to the target number of customers whose loans will be restructured."

Fernandez echoed Madariaga:

[Fernandez] "ADE is behaving satisfactorily. Its assistance to debtors is substantial, within the public treasury's limitations. No one has considered the need to modify it."

Debtors were reminded that ADE's unilateral judicial truce expires next 31 October and that, after that date, banking institutions will be able to take judicial action against debtors who have not restructured their loans. The news conference was also attended by ABM Director General Adolfo Rivas.

Belize

Government Seeks Replacement for British Privy Council

FL1609015195 Bridgetown CANA in English
2227 GMT 15 Sep 95

[FBIS Transcribed Text] Belize City, Sep 15, CANA — The Government of Belize is looking to get rid of Britain's Privy Council as the last court of appeal for Belize. Attorney General Dean Barrow said government will be introducing a bill to provide for the abolition of appeals to the Privy Council in the next session of the National Assembly. A joint session of Parliament, the House of Representatives and the Senate, convenes next Tuesday [19 September] after a summer holiday.

Barrow's announcement came Friday morning as he declared open a seminar hosted by the Bar Association of Belize at the Radisson Fort George Hotel in Belize City which carried the theme: "Whither the Privy Council."

"At the present time, the jurisdiction of the Privy Council is constitutionally trenched," Barrow told reporters Friday. According to Barrow there will be no debate on the bill, for at least three months after its introduction.

During this time, Barrow says, select House Committees will be given the task of going countrywide to canvass the opinions of the Belizean people.

"We will need the support of the opposition if our Bill is to pass," Barrow said, "depending on what the people of this country say to the House Committees, we might be able to get that support."

Under the Constitution, it would take a two-fourths majority of the House of Representatives, comprising 29 members, to get the bill through. Currently, the government has a 15-14 majority in the House of Representatives.

Minister Barrow said what would replace the Privy Council as a final court of appeal would be decided on the basis of the representations made by people.

"I have suggested that there is no reason on earth why we shouldn't stop right here with the local Court of Appeal," Barrow added, but "I don't think that would have much support from the Bar Association of Belize."

A statement issued through the government-owned and operated information service, BIS, quoted Barrow as saying that the Privy Council was "widely regarded as essentially a British institution which has lost touch with the local condition in the Caribbean countries." Barrow added that the Caribbean Court of Appeal was in the making and that was one option open to Belize, the other being to strenghten Belize's Court of Appeal, "and make it the final court for Belize."

The Bar Association has so far been largely undecided in its public stance on the issue of the Privy Council. It is on this basis that they have called the one-day seminar to formulate an official position where the Privy Council is concerned.

Opposition MP Not To Seek Re-election in 1998

FL1809003195 Bridgetown CANA in English
1547 GMT 17 Sep 95

[FBIS Transcribed Text] Belize City, Sept 17, CANA — After over a decade of active participation in local politics, opposition MP Glen Godfrey says he will not seek re-election in 1998. Former Attorney General and representative for the Belize Rural South constituency, Glen Godfrey, told state Radio Belize at the weekend his decision not to seek re-elecion, [which] was not, however, an indication that he was bringing his political involvement to an end.

"I'm not calling it quits," he said, "I'm saying I will not be a candidate in the next general elections." Godfrey, one of the 'newcomers' in the 1989-1993 People's United Party (PUP) administration, maintained that he will continue to support his party "and to do whatever I can to make sure they are elected". However, he has not ruled out the possibility of seeking election some time in the future.

"Down the line, perhaps, but certainly not this — 1998 — election," Godfrey said.

The former Attorney General said his decision [not] to seek re-election was for personal reasons, citing various business ventures he had undertaken since the last general elections, which he said he wanted to see through to the end.

"I did not think I could do both of them — politics and business — and clearly, I feel that there are some people in the constituency generally who could do a very good job representing the constituency," he said.

Godfrey told the state radio that the decision will not adversely affect the party, and the move to find a replacement candidate had already begun.

It's not as if I am creating a large vacuum or anything of the sort. There are talented people out there." Godfrey said he began considering the decision shortly after the last general elections and that his involvement now will largely involve campaign work and writing for the People United Party.

The Belize Rural South constituency, comprising the tourist island resort of San Pedro Ambergris Caye, has been a PUP stronghold for over two decades. The MP's announcement of his decision not to seek reelection comes as press reports surfaced in Belize that veteran politician and ex-deputy PUP leader Vernon H. Courtenay was hospitalised in Jamaica, where he is being treated for "severe heart problems." Media reports say Courtenay, a former senator, will be flown to the United States for further treatment after his condition stabilises. Belize's leading weekly newspaper, the AMANDALA, reports in this weekend edition that Courtenay apparently started experiencing health problems two weeks ago.

El Salvador

Calderon Sol Gives Independence Day Address

PA1709150195 San Salvador Radio Network in Spanish 1455 GMT 15 Sep 95

[Address to the nation by President Armando Calderon Sol, on the 100th anniversary of Central American independence, in San Salvador — live relay]

[FBIS Translated Text] Ms. President of the Legislative Assembly and Messrs. Deputies, Mr. President of the Supreme Court, Messrs. Magistrates, Messrs. Representatives of the Attorney General's Office, Your Excellencies Messrs. Ambassadors and honorable heads of diplomatic missions, Messrs. members of the Cabinet, Mr. Mayor of San Salvador and members of the Municipal Council, Messrs. members of autonomous institutions, honorable representatives of international organizations, honorable military attaches from friendly countries, ladies and gentlemen, Salvadoran citizens:

We have gathered this morning in front of the fatherland's altar to mark the glorious anniversary of our independence and honor with eternal gratitude the illustrious men who, inspired by the ideal of liberty, laid the foundations for our national sovereignty. On that historic 15 September 1821, 174 years ago, Central America obtained its political emancipation from the Spanish Government, thus bringing to a glorious culmination the independent movements that arose in the city of San Salvador when our forefathers took the first step toward independence in La Merced bell tower in the early morning hours of 5 November 1811.

Several events followed the signing of the declaration of independence. The provinces decided to elect deputies to make up the congress, which was installed on 1 June 1823 and which became the first constituent national assembly of Central America. Upon declaring total independence, it gave rise in a sovereign manner to the United Provinces of Central America. We are proud to say that the Salvadoran deputies in that constituent assembly, led by clergyman and doctor Jose Matias Delgado, were committed supporters of the creation of the Federal Republic of Central America, which was decreed on 22 November 1824. In 1921, on the occasion of the first 100 years of independence, another effort was made to restore the united fatherland of our founding fathers, and the Tripartite Republic was created since only Guatemala, Honduras, and El Salvador signed the pact, which failed in its first year. Since then, our countries have made several efforts toward integration, the most significant of which was the signing of the San Salvador Charter in 1951 that created the Organization of Central American States, whose legal framework buttresses the regional integration process currently being fostered by the five sister countries in a decided and enthusiastic fashion.

I have given you this historical account in order to see where we stand within the context of the epic event we are commemorating. We believe it is necessary to make a careful reading of the past in order to reestablish a connection with the nation's historical roots. People who lose contact with their genuine values run the risk of losing the solid nature and character of their true identity.

At this stellar moment for Central America, with genuine fraternal feelings, I wish to invite my fellow presidents and people of the region to set aside those differences that have done so much harm to the cause of integration and, with a pragmatic sense of duty, to commit ourselves to erase those historic stigmas that still prevent Central Americans from living and circulating freely in any part of our regional territory.

The time has come to march firmly toward the unity of Central America, granting its inhabitants not only a dual nationality, but also granting them their full Central American citizenship, so that all of us who have had the privilege of being born in this blessed Isthmian territory can proudly be citizens of the vast fatherland forged by our forefathers. As united brothers, we must work together to face the big challenges posed by the beginning of the new millenium.

In our national life, the commemoration of our country's independence should serve to impart meaning to our history and to instill in us a positive stance, which will encourage us to continue to build the Salvadoran fatherland bequeathed to us by our forefathers. It is imperative that in our homes, schools, universities, churches, and work places, the civic and moral principles be instilled and taught, so that all Salvadorans can achieve a stature as citizens that will dignify and make our fatherland even greater.

This new independence anniversary finds us engaged in the extraordinary tasks of consolidating peace, democracy, the state of law, and the overall integration of our country. With all our energy and dedication, we are bolstering the bases of our new El Salvador that emerged from the peace agreements. We are living a unique, historic moment of extraordinary significance for the life of the country. In these past years, El Salvador has experienced a profound political, economic, and social transformation.

Now a true pluralist and representative democracy exists in which all the ideologic trends are freely expressed and contribute to efforts to achieve the common wellbeing.

Now the institutionality of the Republic and the state of law are fully guaranteed by a veritable independence of the public's powers. The task of the government of the Republic is realized within a framework of respectful coexistence among nationals. We are a new country, established on the basis of a Constitution that emerged in the wake of the biggest consensus ever achieved in the country's history. Consequently, it is the juridic instrument that gives life and consistency to our big national pact. We cannot overlook the big problems and challenges posed by the vast national reality, especially, the challenge of fighting dire poverty and lack of opportunities, which affect a vast sector of the population. We are totally aware that, as provided by political democracy, we must strive to achieve high growth levels and transform them into economic development with equality, giving all Salvadorans equal opportunities. Our country cannot achieve its maximum development as long as the causes that generate big imbalances persist. Our challenge now is to achieve our independence from economic underdevelopment, which generates dire poverty in a vast part of our social sector; to gain our independence from illiteracy and ignorance, which curb the development of persons and everybody in general; to gain our independence from criminality and the plights that affect the people and weaken the creative energies of the nation; to gain our independence from a confrontational position in order to sign a peace conducive to national reconciliation; and to gain our independence from the apprehensions and prejudices that block the construction and consolidation of the new Salvadoran society, so we can all live in harmony, liberty, and prosperity.

Dear fellow citizens, amid this beautiful climate of civic-mindedness, we make a vehement appeal to all the people, so that within the framework of peace and democracy, we can seek formulas of understanding to overcome national problems. Let us recall that the problems of the country are not the patrimony of any ideology or exclusive of the Salvadoran Government, but of all Salvadorans alike. For the sake of the supreme interests of the fatherland, let us make use of the democratic and peaceful mechanisms to find solutions to the diverse problems we face. Let us reject confrontational and aggressive stances and terms, which in no way contribute to harmony and social progress. Let us speak now the language of peace and reconciliation. Let us protect the historical legacy of our forefathers and let us honor the thousands of our brothers who have sacrificed themselves for the fatherland. Let us act with a spirit of permanent and constructive solidarity to achieve together the grandness of our beloved El Salvador. Thank you very much. [applause]

Defense Minister on Armed Forces Role

PA1609014595 San Salvador TCS Television Network in Spanish 1200 GMT 12 Sep 95

[Interview with Defense Minister General Humberto Corado Figueroa by unidentified reporter; from the "Front to Front" segment of the "TCS News" newscast at the station's studios in San Salvador — live]

[FBIS Translated Excerpt] [Passage omitted] [Reporter] What were the main results and agreements reached in the recent security meeting?

[Corado] We continued analyzing the document that will permit countries to review common problems under the same perspective and following standard guidelines and policies. Basically, we discussed the struggle against crime in the region — common crime, drug trafficking, smuggling of illegal aliens — in other words, threatening situations in the region.

A document has been distributed to all countries which is being analyzed by the respective Foreign, Public Security and Defense Ministries. A final draft document will be presented to the presidents at the next summit to take place in Honduras. The presidents will finally decide if they approve this document, which will be the new framework regulating regional security.

[Reporter] Regarding a recent incident at the Salvadoran-Honduran border, when the PNC [National Civilian Police] unintentionally entered Honduran territory pursuing two alleged drug traffickers, what should be, or what will be the position or criteria of the Honduran government based on these new treaties and policies drafted by the Central American Security Commission?

[Corado] It will have to be one of cooperation. We are trying to join efforts, in other words, although the borders must be respected, as they are established political boundaries to define the territorial rights of one country from another, they should not be an obstacle to carry out activities for common benefit. This is a pathetic example of how countries can cooperate to fight a common threat as drug trafficking.

[Reporter] Talks and to a certain extent negotiations have been resumed with Nicaragua to improve relations. What has been the result of those talks, and what is the purpose of those talks?

[Corado] Basically, Nicaragua is very interested in strengthening its relations with neighboring countries. General Joaquin Cuadra, commander in chief of the Nicaraguan Army visited El Salvador a few weeks ago. It was a courtesy visit, during which he expressed his willingness and desire to strengthen relations with the Salvadoran Armed Forces.

Basically, this is because the Nicaraguan Army is no longer an army for one sector. We all know the origin of what used to be the Sandinist Army, which now has become the Nicaraguan National Army by law. Logically, this means that the Nicaraguan Armed Forces must have relations with the armies in neighboring countries in order to deal with common problems and to strengthen the institution. In addition, Gen. Cuadra expressed interest... [pauses] although it is not an area of his competence, he had the opportunity to meet with the president of the Republic and with representatives of the Salvadoran private sector.

He expressed his desire and the desire of the Nicaraguan government to increase Salvadoran investments in Nicaragua. Those were basically the main points discussed during his visit. He also invited us to visit Nicaragua in the next few months, before the end of the year.

[Reporter] Regarding summits and meetings among Central American countries, what actions have been taken after the most recent summit held in Miami?

[Corado] The presidents of the American Continent met in Miami. One of the main agreements reached there was to continue implementing cooperation policies in various areas. U.S. Secretary of Defense William Perry invited all the [defense] ministers of the Americas to participate in a meeting in Williamsburg Virginia from 24 to 26 July.

The main objective of the meeting was precisely to follow up on the agreements reached at the Presidential Summit. First of all, the purpose was to establish measures in order to create rapport and confidence among the different armed forces in the continent; to seek mechanisms of cooperation to really integrate the resources of the armed forces for common benefit; and to conduct an analysis of what type of armed forces Latin America should have for the 21st century.

We know that the reality in the continent today is different from the situation that prevailed a decade ago. Therefore, the armed forces should be reorganized and adjusted, not only in their structures, but also in their vision of what is the best role they can play to serve their respective countries.

It was a very interesting meeting. It ended with the establishment of six basic principles that will serve as guidelines for the next few years.

[Reporter] Based on the subjects discussed at those meetings, what plan will be implemented in our country within the modernization process for the armed forces of the continent, specifically in El Salvador? We would also like to know about the reforms contained in the points discussed at those meetings. First of all, what process will be followed in the plan to modernize our armed forces?

[Corado] Well, as soon as the conflict was over and the peace agreements were signed, the armed forces conducted a thorough analysis not only of the national reality, but also of the reality of the armed forces as an institution. Our main concern was adjusting to the new situation in the country. You know that the Salvadoran Armed Forces were really affected in some of its structures as a result of the peace agreements. It was a cost we had to pay as an armed institution. Some constitutional amendments directly affected the institution. This new reality of peace in the country made it necessary for us to reorganize the armed institution in some ways.

After conducting an analysis, we immediately designed a modernization process which we have called Plan Toward the Year 2000, in which we are not only trying to adjust to the country's needs and the new reality we are facing as an institution. We are trying to project ourselves toward the 21st century as an institution that is more modern, better organized, more coherent with world reality, and which will enable us to view the 21st century with the expectation that the armed forces will be in accordance with the advancements the country is experiencing in other sectors. In that manner, El Salvador will have an instrument that will make it possible to maintain the stability the country will need when it really enters a development process, which is what we all want.

I believe El Salvador is a very progressive country. Therefore, its institutions, including the armed forces should also have the same characteristics and progressive spirit in order to serve the nation better. Basically, we must improve our laws in order to harmonize them with the constitutional amendments. We must systemize our operation better; we must modernize our educational system through an overall improvement of our schools and the educational plans. We must also strengthen our relations with the rest of the Salvadoran society. In sum, we must really try to incorporate and strengthen our organization, in order to become an institution capable of defending national interests under any circumstances.

Guatemala

De Leon Reiterates Commitment To End Civil War

PA1609161395 Panama City ACAN in Spanish 2012 GMT 15 Sep 95

[FBIS Translated Text] Guatemala City, 15 Sep (ACAN-EFE) — Guatemalan President Ramiro De Leon Carpio today, on the occasion of the 174th anniversary of Central American independence, reiterated his willingness to continue the peace negotiations with the guerrillas in order to end the armed conflict.

"I reiterate my lifelong commitment to the advancement and culmination, if possible, of the negotiations we are carrying out," because this way "I would be contributing to the attainment of that peace our society is longing for, so as to advance in the comprehensive development," the president said in his message.

The government and the Guatemalan National Revolutionary Unity (URNG), the only active guerrilla group in Central America, have been holding talks in Mexico since April of 1991 to end the war that has left, according to private organizations, more than 150,000 people dead since 1960.

But the URNG has ruled out that a definitive peace agreement will be signed during the administration of Ramiro De Leon Carpio, which ends on 14 January.

Regarding other issues, De Leon Carpio explained in his message that the commemoration of Central American independence from Spain is an "important" date to reflect upon common issues.

According to the president, the experience of challenges requires unity, because without it, "resolving of our basic problems will be more difficult."

"Divided we cannot aspire to the place we should have in a world that is increasingly moving toward supranational schemes of cooperation and also of competition," the president warned.

De Leon Carpio insisted that "divided we will be more vulnerable in the face of groups that are still pursuing the objective of wearing out and abolishing our institutions."

De Leon Carpio added that the commitment Central American governments have assumed toward sustainable development and peace demand redesigning the great concepts that must govern the efforts, particularly specifying the leadership that corresponds to the public powers in promoting these issues that "are inseparable."

Paraphrasing Pope Paul VI, the president said that "development is the new name of peace."

The head of state explained that it is not possible for all groups to participate directly in the negotiatinos the government is holding with the URNG and that intransigence "cannot delay our development efforts."

According to the president, only the democratic system allows for quiet, peaceful revolutions, without bloodshed.

He added that the deterioration of the standard of living of the majority of the population undermines the peace process, even in those countries where agreements have been reached with rebel forces.

De Leon Carpio reaffirmed that peace is built by protecting health, education, with access to credits, technology, the markets, and food.

"Hence, peace must be built by decentralizing and strengthening the local organization and power, because only this will permit representative democracy to gain from participation," he concluded.

Guatemala today celebrated its independence with a civic parade of dozens of public and private establishments through the main streets of the capital.

Fourth Meeting for Guatemalan Peace Under Way

PA1809003095 Mexico City NOTIMEX in Spanish 0119 GMT 17 Sep 95

[FBIS Translated Text] San Jose, Costa Rica, 16 Sep (NOTIMEX) — In San Jose, Costa Rica, the Guatemalan guerrilla today talked about the need to achieve peace with social justice in their country, while the Army warned that it will continue its actions against rebels until a peace agreement is signed.

From the start of the peace negotiations, in April 1991, "we have been clear in stating that the peace we are seeking must be a peace with equality and social justice," guerrilla Commander Pablo Monsanto stated in a news conference.

"We cannot think of peace only as the silencing of guns, but rather, we must overcome the causes that gave rise to the armed conflict" in the country, where 80 percent of the people are poor and more than 40 percent are illiterate, Monsanto added.

The government's Peace Commission (Copaz) Adviser General Julio Balconi said that the Guatemalan Army is fulfilling its constitutional duties, and "will continue to do so until a peace agreement is signed."

Balconi stated that there can be no discussion on "decreasing the military in Guatemala, because the Army is small, as it only has 45,000 members to meet all the needs imposed on it."

Balconi and Monsanto, who is one of four members of the Guatemalan National Revolutionary Unity's (URNG) General Command, made those remarks following the inauguration of the Fourth Ecumenical Discussions on Building Peace in Guatemala [Cuarta Consulta Ecumenica Para la Construccion de la Paz en Guatemala].

The five-day meeting was inaugurated Saturday by Costa Rican Foreign Minister Fernando Naranjo, who spoke of the need for "countries to change their culture of war and confrontation for a new one of peace and negotiation."

That way, "economic development is not invested on military spending but earmarked to solve the social problems that overwhelm the countries of the region," Naranjo added.

The opening ceremony was presided by Federico Pagura, bishop emeritus of the Argentine Methodist Evangelical Church, who urged the warring sides to seek peace.

Pagura regretted that Central America has not fully achieved peace and attributed the situation to "the influence of the great imperial powers," that fan conflicts in the region.

Naranjo called on the sides involved in Guatemala's internal war, which dates back 34 years, to join in the Week for World Peace that will be held from 24 through 31 October in adherence to a U.N. resolution.

On the possibility of ending the war, Monsanto affirmed that the URNG is convinced that "the peace process is irreversible."

Balconi affirmed that Copaz hopes that "a solid and lasting peace agreement can be reached in the short run."

The two leaders agreed that a date cannot be set for the signing of a peace accord because that will depend on how the complex negotiations evolve.

This is the fourth ecumenical meeting held to find a negotiated solution to the armed conflict that has raged in Guatemala for more than 34 years and claimed over 175,000 lives.

The first meeting was held in November 1993 in Washington, the second one in April 1994, in Guatemala, and the third meeting in September 1995, in Oslo, Norway. In addition to the government, military, and rebel representatives, Guatemalan Indian and business leaders are participating in the meeting.

Delegates from the governments of Canada, Spain, the United States, Mexico, and Norway are also attending the meeting.

URNG Commander: Peace Accords Possible By Year's End

PA1809003295 Panama City ACAN in Spanish 1724 GMT 17 Sep 95

[Report by Miguel Diaz]

[FBIS Translated Text] San Jose, 17 Sep (ACAN-EFE) — Guerrilla Commander Pablo Monsanto said today in San Jose that a peace agreement in Guatemala could be signed before year's end if there is the needed resolve to sign a negotiated agreement putting an end to the more than 30 years of political and military fighting.

Monsanto, together with Rodrigo Asturias, alias "Gaspar Ilion," likewise a commander of the Guatemalan National Revolutionary Unity (URNG), and Miguel Angel Sandoval are participating in the "Fourth Ecumenical Counsel for Establishing Peace in Guatemala" which began this weekend in the Costa Rican capital.

Representatives of the Government, URNG, Indian communities, business sector, workers, and the principal Guatemalan political parties are taking part in the activities which will last until Wednesday.

Monsanto told ACAN-EFE that the negotiations have "advanced significantly" in regards to the issues of democratization, human rights, resettlement of displaced people, and the rights and identity of the Indian peoples.

However, Monsanto maintained that the "most difficult and complex" issues are the socio-economic issue and the agrarian issue, because "powerful interests are affected."

Monsanto, who was optimistic regarding the advancement in the negotiations with the government, said: "We are interested in the content of the agreements, and although we know that we cannot get 100 percent of what we want, we cannot accept less than 50 percent."

Lieutenant Colonel Oto Noack, who is part of the government delegation and who believes peace could be achieved before the year's end, said: "We are open to dialogue and the sooner the a cease fire is signed, the better."

Israel Noko, president of the Lutheran World Federation said when the Ecumenical Counsel aims to generate a "positive force" in the negotiations between the government and the URNG, but does not intent to duplicate or substitute it.

In addition to the Lutherans, the 4th Ecumenical Counsel is sponsored by the Latin American Council of Churches, the World Council of Churches, the National Council of Churches of Christ in the United States. In addition to consolidating the advances toward peace and conciliation, the Counsel is trying to have the two parties observe the commitments "independent of the political configuration which might result from the November elections, Noko said.

URNG Commander Pablo Monsanto described the political mood as "very positive," because for the first time in the political history of the country, the most important parties have included the issue of the peace agreements in their political platforms, and almost all of them have expressed their resolve to implement them.

Monsanto said that although the guerrilla movement has not participated directly in the elections, contrary to what it expressed for 35 years, the URNG has not called for abstaining or nullifying votes, but instead has encouraged the people to participate in the elections.

Monsanto recalled that the URNG decreed a unilateral suspension of military offensives between 1 and 13 November so that the Guatemalan people may have "full liberty to participate in the electoral process."

Lutheran Bishop Israel Noko made an "energetic" call to the international community to maintain and strengthen it commitment to Guatemala, because he pointed out that peace is not only important for this country, but for the continent and the world community.

"Through personal experience, I know that once a peace agreement is reached and election are held, almost always the attention of the world community shifts to other parts of the world," Noko warned.

The 4th Ecumenical Counsel for Peace in Guatemala is an effort by four of the most important church councils, and is preceded by three previous similar meetings which began in 1993, in Washington. and continued in Guatemala (April, 1994), and Oslo, Norway (September, 1994).

URNG Begins TV Campaign in Favor of Women's Rights

PA1809032195 Mexico City NOTIMEX in Spanish 2139 GMT 17 Sep 95

[FBIS Translated Text] Guatemala City, 17 Sep (NOTIMEX) — Guatemalan guerrilla forces today began the second week of a television advertising campaign in favor of women's rights, in its first continued appearance in its 35-year existence.

The URNG's national television commercial last 30 seconds and tells Guatemalan women how to claim their equal rights in an advertising campaign scheduled to last for at least one month.

Local analysts emphasized that with the appearance of the television commercial in favor of women, the difficulties of remaining clandestine, and the censure and prohibition of Guatemalan guerrilla messages has begun to be left behind this week.

During the commercial, the television screen showed an Indian woman staring silently at the camera while a pair of white hands (mestizo) cut her hair; meanwhile, in a lateral frame, a number of housewives appear doing their daily chores.

A masculine voice explains that women have rights which they must claim in order to be taken seriously in regards to all of the nation's social and political issues, as well as claiming their equality in obligations and rights in regards to men.

The commercial shows a drawing of an ear of corn and the letters URNG in green and red, the characteristic colors of the rebel movement.

In Guatemala, 51 percent of the population are women, who experience the highest rate of illiteracy (seven out of 10 illiterates are women), poverty, discrimination, and exploitation in the country.

This is the first open campaign on television of the guerrilla forces in their 34 years of existence. Their messages are being transmitted on prime time, a period which attracts the most television viewers.

On other occasions, the URNG sent messages through radio stations, but these stations and their owners were attacked almost immediately.

The government and the URNG, with the mediation of the United Nations Organization, have politically negotiated a peace agreement to end an internal war which has cost 175,000 lives.

As the Guatemalan peace process advances, the rebels are slowly gaining space to express themselves after almost 35 years of clandestine activities.

Nicaragua

IMF 'Pressuring' Government on Currency Devaluation

PA1609015095 Managua Radio Sandino in Spanish 1200 GMT 13 Sep 95

[From the "What's Happening" newscast]

[FBIS Translated Text] The IMF is pressuring Violeta Barrios de Chamorro's government into devaluing the national currency more quickly, so that the cordoba is in line with the U.S. dollar. The three IMF officials who arrived in Nicaragua to pursue this objective have met economic officials, who made no commitments and merely listened.

Economy Ministry Eliminates Export License Requirement

PA1609233395 Managua BARRICADA in Spanish 15 Sep 95 p 6

[Article by Xavier Rayo Valle]

[FBIS Translated Text] The Economy and Development Ministry (MEDE) has issued an official resolution eliminating export license requirements, thereby simplifying the country's foreign trade, Dr. Julio Cesar Bendana has informed.

Bendana, legal adviser of the MEDE, said the previous Constitution had established a state monopoly on exports, but this government has decided, through Resolutions 1 and 12-91, to allow the private sector to conduct export operations without obstacles.

"The constitutional reforms eliminated the export license requirement for any product and simplifies the paperwork for those involved in the business," Bendana said.

Export licenses that had been issued up to now by the MEDE were valid for five years. Coffee and lobster licenses cost 15,000 cordobas; cotton licenses 11,000 cordobas; beef, sugar, and seafood licenses 7,500 cordobas; banana licenses 18,500 cordobas; and licenses issued for the export of molasses and others cost 2,000 cordobas.

"I can say for sure at this moment that no export tariff or taxes will have to be paid. Exports will only be regulated by the Cetrex (Center for Export Procedures) [Centro de Tramites de Exportaciones], which only charges administrative fees for plant and animal sanitary inspections," Bendana said.

He added that the Cetrex is also a facilities center in which all public institutions in the field of exports are located. According to Bendana, Nicaragua now joins the other Central American countries and the rest of the world in deregulating exports.

In addition, Dr. Julio Cesar Bendana showed a copy of LA GACETA, official newspaper No. 119 of 27 June 1995, which publishes Decree 38-95 reducing by 50 percent the cost of commercial and services licenses inside the country.

The executive decree establishes that for the opening of a business, the owners must pay a 1.5-percent tax on the sales or services provided during the first month of operations and a similar percentage over the average sales or services provided during the preceding year. They were both 3 percent before the decree was issued.

According to Bendana, the deregulation unit of the MEDE, will insist the decree be definitely eliminated by the end of the year and earlier if possible because they restrict the country's economic activities.

Army Commander in Chief Supports Dry Canal Project

PA1709133295 Managua LA PRENSA in Spanish 16 Sep pp 1, 14

[Report by Felix O'Connor]

[FBIS Translated Text] General Joaquin Cuadra Lacayo, commander in chief of the Army, has given his full support to a project to build a dry canal in Nicaragua, which was proposed by the investing consortium Nicaraguan Interoceanic Canal (CIN) [Canal Interoceanico de Nicaragua]. The Nicaraguan Government is currently reviewing the project.

Gen. Cuadra Lacayo made that statement after a meeting with CIN international representatives.

Gen. Cuadra Lacayo noted that carrying out the project could change the Army's role in Nicaraguan society in a positive and definite way.

Cuadra said that "after the end of the war, the Army has basically been in charge of defending national sovereignty, fighting drug trafficking and the devastation of our natural resources, and protecting the environment, but this project could mean a change in the Armed Forces' basic mission."

Gen. Cuadra Lacayo met a third time with CIN officials, who explained to him in detail the range of the project, which obviously in order to be carried out will need the Armed Forces' full support."

CIN top executives Donald Bosco, Juan Manuel Rodriguez, and Juan Carlos Rivas held a long meeting with Gen. Cuadra Lacayo. They expressed satisfaction with his receptiveness while evaluating the project's "pros" and "cons".

"By carrying out this project guaranteeing real benefits for the country and preventing an environmental cost we could regret later on, the Army could play a new role in the country's economic history," Gen. Cuadra Lacayo said.

According to CIN representatives, the "starting point" for this project rests with the government, with whom they have held various working sessions, but there is no word yet on a possible decision.

Assembly President, General View Army's Role

PA1609034695 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 14 Sep 95

[Report by Jairo Antonio Mendez; from the "National Newscast"]

[FBIS Translated Text] The Nicaraguan Army's role in our new society was debated today at the close of a seminar on military-civilian relations. The Nicaraguan Army has played a key role in the changes that the new society has faced, different political circles expressed at the close of a seminar on military-civilian relations organized by the Nicaragua Center for Strategic Studies:

[Begin recording] [National Assembly President Luis Humberto Guzman] The first thing we must realize is that the Army has been changing. The change has been good, in the sense that the Army has grown apolitical and nonpartisan. While this is certainly not a finishing point, it is a good starting point. The Army has a role to play in maintaining Nicaragua's territorial integrity, in fighting drug trafficking, in waging civil defense duties. These are three very important areas.

[Salvador Talavera, Nicaraguan Resistance Party member] The Army's missions and roles have been redefined since 1990 in keeping with the new concept of Nicaraguan civilian society. These are very positive developments. [end recording]

General Joaquin Cuadra feels that the Army has fulfilled the mission that the social changes required:

[Begin Cuadra recording] I definitely feel that the Nicaraguan Army is in line with today's Nicaragua. The Nicaraguan Army has set an example and taken important steps regarding its professional consolidation, as well as its institutionalization. [end recording]

The Army played its new role on one occasion this year, when for the first time in history there was a military change of command without a drop of blood being shed in the country.

Panama

Ruben Carles Favors U.S. Bases Renegotiations

PA1709193295 Panama City EL PANAMA AMERICA in Spanish 17 Sep 95 p B10

[Report by Carlos Vargas]

[FBIS Translated Excerpt] Ruben Dario Carles, former presidential candidate and comptroller general, is among those promoting the stay of U.S. bases but not to collect payment on a lease. Instead, he wants that country to open its markets to give Panamanian products a preferential treatment.

Carles noted that other advantages Panama may request in order to allow U.S. bases to stay include an increase in the quotas of sugar, tobacco, and textile exports and the elimination of restrictions on beef imports to the U.S. market.

According to Carles, the negotiations on the bases' stay "cannot be for more money" since there are other "advantages" that Panama can obtain from an accord.

He noted that the political opposition is awaiting the return of President Ernesto Perez Balladares to explain to the country the terms of the accord he negotiated with the United States on the permanence of the U.S. military presence beyond 2000. [passage omitted]

PNP Leader Explains Position on Bases Referendum

PA1809014695 Panama City MAGAZINE DOMINICAL EL SIGLO in Spanish 17 Sep 95 p 7

[FBIS Translated Text] The Popular Nationalist Party [PNP], through its President Jorge Flores, has explained its position on the referendum on military bases during an interview granted to this reporter. Flores said that "the PNP is not a party with only electoral objectives in mind; we have already proved it. This is why what most polls show fail to impress us. Panamanians are not dumb; if they are explained the advantages the departure of foreign soldiers will elicit and if they are reminded that they are the heirs of the nationalist legacy of Justo Arosemena and those who forged this isthmian fatherland, we are confident that the national yell in the referendum will be that of 9 January [1964]: Bases No!

Flores then added that "there has been too much emphasis — it has even been exaggerated — on the alleged disasters the closure of the bases will trigger. However, there is little talk on the economic and social benefits and on the national consolidation that this departure will elicit. They exceed any crumb the permanence of the foreign military occupation in our land may produce."

"I think," the PNP president pointed out, "we are facing another challenge resulting from the submissiveness of the ruling class, be it government or opposition, that has historically agreed to yield time and again to the U.S. conditions. Before, the pretext was the weakness of the dawning republic; it now is the inability or weakness not to know how to say no to the foreign master," the PNP leader concluded.

Negotiators Oppose Base Renegotiation

PA1709223195 Panama City EL PANAMA AMERICA in Spanish 17 Sep 95 p B10

[Report by Jose Montano]

[FBIS Translated Text] Juan Antonio Tack, Diogenes De la Rosa, Carlos Alfredo Lopez Guevara, and Fernando Manfredo, negotiators of the Panama Canal Treaties, considered it was unadvisable for the Southern Command to remain (in Panama) after the year 2000. At least one of them, Lopez Guevara, is certain that Panamanians favor the bases due to "increasing unemployment, the illusion that 5,000 jobs at the bases will be kept, and the wrong assumption that the dollar will leave along with the military forces."

Juan Antonio Tack was foreign minister and headed the negotiating mission and diplomatic actions during the very significant the UN Security Council deliberations in Panama in 1973. Tack addressed this issue with one-syllable word: No.

The head of the negotiations said, "One of the our objectives was to remove the colonialist stake. If the military bases remain after the year 2000, the militaristic stakes will continue."

Shortly before presenting his book "Illusions and Realities of the Negotiations with the United States of America" this week, the Panamanian counterpart of the historical Tack-Kissinger Agreements again replied with another one-syllable word: Never.

Tack gave this reply little after EL PANAMA AMERICA asked him if General Torrijos had ever foreseen the possibility of a renegotiation.

Then Tack said, "It was never mentioned, at least not during my time. I do not know if it was mentioned afterwards."

Following the U.S. veto at the UN Security Council meeting here, Tack had reacted by pointing out that "the United States vetoed Panama, but the world vetoed the United States." Tack confirmed the prevalence of the Numm Amendment, "which establishes that despite the provisions of the treaties, both countries could reach an agreement for any (military) base to remain" here.

The former foreign minister dramatically said he felt "frustrated."

"This country has already frustrated me. When I read in the polls — which I believe are true — that 77 percent of Panamanians believe that the military bases should be renegotiated, I wished I had never participated in negotiating the treaties."

Tack confirmed his resignation as foreign minister and head of the negotiations because he did not agree with the Neutrality Treaty.

Tack preceded Romulo Escobar Bethancourt, who became head of the negotiations. Tack said Escobar Bethancourt "would agree" with the renegotiation of the military bases "from his outlook of Machiavellian politics."

According to Juan Antonio Tack, President Ernesto Perez Balladares has driven the relations with the United States to a state of "cronyism and servilism," which Tack considers "will make Panama become like Puerto Rico."

Through his new book released this week, Tack expects to demonstrate "that the so-called nationalism fabricated over many years does not exist" and that "the student and labor union leaders who allegedly held the nationalistic flag, did away with their nationalism once they seized power and enjoyed money."

Meanwhile, negotiator Diogenes De la Rosa said "he had doubts" that the Panamanian "moves" in Washington "were timely," especially because "they stem from small groups that have not consulted the public opinion to determine the national sentiment."

Diogenes De la Rosa does not believe the polls that indicate that Panamanians favor U.S. presence. He said these are "very particular movements."

De la Rosa said, "I think that a thorough and unbiased investigation should be made to hear the people's true opinion regarding this problem."

After insisting on his "impression" that there are "vested interests" motivating the Panamanian Government's actions in Washington, De la Rosa said that the inclusion of drug trafficking as a phenomenon surrounding possible negotiations constitutes a "vested fabrication by certain groups."

De la Rosa said, "I believe that nothing prevents the enforcement of the treaties from continuing their course without interruptions." In his opinion, President Perez Balladares' foreign policy "gives the impression of a trial balloon."

Nevertheless, De la Rosa said he did not believe that this was dangerous "as long as the people stay alert to the developments."

De la Rosa Insists that if there is "a negotiating movement, this originates from "very restricted circles."

Meanwhile, former Foreign Minister Carlos Alfredo Lopez Guevara believes that the act of exploring should be "to determine" if it is advisable for Panama.

Lopez Guevara said: "Without mentioning nationalistic issues, I consider that economically this (the permanency of the bases) is not advisable for Panama, and that the president should very well go to the Philippines to see how these people have in fact replaced and surpassed the 44,0000 direct jobs that the Philippine bases had created."

According to Lopez Guevara, the Philippine experience is "the best example" Perez Balladares has to realize that "the bases should be eliminated and transformed into civil service."

In Lopez Guevara's opinion, "any country can make a proposal to another country" with or without an amendment.

"Panama is in perfect condition to continue, reject, or point out as unadvisable" and even "stop" the negotiation.

According to Lopez Guevara, "the Numm Amendment's only merit is that no country could object if Panama accepts that bases remain." Lopez Guevara confirmed that in fact the Numm Amendment "gives this possibility" of legally maintaining military presence beyond the year 2000.

The former foreign minister pointed out that "everything indicates that the United States brought up the issue." According to Lopez Guevara, "it is better to clarify this issue and know what we have to plan for" and then do marketing.

Lopez Guevara said: "Obviously those individuals who favor the bases believe that we will maintain 5,000 direct jobs and this is a lie. This will not happen."

According to Lopez Guevara, drug trafficking is an argument that "one cannot make heads or tails of it" to be accepted as the grounds for renegotiation.

Lopez Guevara indicated, "Citizens simply have to become aware that there are better options to create employment than the military bases."

Lopez Guevara added that "amid increasing unemployment, Panamanians are told that 5,000 jobs will be lost. However, Panamanians are not told that if the bases remain, there would not even be 1,000 jobs, which would not be hired by the United States, but by contractors with Panamanian wages, and the bases would be under utilized."

Fernando Manfredo, another treaty negotiator, had already said publicly that the United States had never given up its interest in maintaining military installations here after the year 2000.

Manfredo does not agree with continuing the U.S. military presence in Panama not because of nationalism but because in Panmanian hands, the bases will become a larger potential for investment and the country's development.

New Book Discusses U.S.-Panama Negotiations, U.S. Bases

PA1509185295 Panama City LA PRENSA in Spanish 15 Sep 95 p 6A

[Interview with Juan Antonio Tack, former ambassador to the OAS, former foreign minister, and former canal treaty negotiator, by Ileana Golcher; place and date not given]

[FBIS Translated Excerpt] A new book has been published on the historiography of Panama and the United States: "Illusions and Realities of the Negotiations With the United States of America" [Ilusiones y Realidades de las Negociaciones con los Estados Unidos de America] (Volume 1), written by Professor Juan Antonio Tack.

This publication is by the Cultural Panamena bookstore, owned by Mr. Amador Fraguela. The work consists of six chapters, a painstakingly selected bibliography, 14 historic pictures, a penetrating foreword, and 269 pages of great reflection and analysis. The author, who is a professor of history and philosophy, held several important posts in Panamanian foreign politics, such as head of the Foreign Ministry's Diplomatic Department, Panama's alternate minister to the UN's European Office, deputy foreign minister and foreign minister, chief Panama negotiator of the new Panama canal treaties, Panama's ambassador to the OAS, and Panama Government consultant to affairs to do with the Joint Committee and the Joint Defense Board.

He is currently an investigator with Panama University's Panama Canal Institute. This is why the book has a testimonial value from two vantage points, those of a studious of history and that of a first line protagonist of the 1977 Canal treaties, which represent the last international decolonizing agreements being executed in the world.

[Golcher] What was the basic motivations to write this new book?

[Tack] For a long time I have believed it is my moral duty to write about this topic. In Panama, it is customary for officials who take part in public posts and activities, especially in international relations, to not leave on record their experiences. It is in two volumes because to print it in one volume would be very long and problematic to read.

Likewise, there is the practically generalized trend to forget history, thus the entire contents are duly supported by footnotes on each page. I have not made anything up of what is written there, this is how it is. On the other hand, in the book I quote President Grover Cleveland who said: "The Panama isthmus is a continuation of the U.S. coasts." Few people know this and what it means. I believe it is good to write so that people do not forget and so that they know that in order to get to where we are heading, a long battle had to be waged. [passage omitted]

[Golcher] Currently, there is word of renegotiating military bases in Panama. President Bill Clinton and Ernesto Perez Balladares, in a recent meeting in the United States, exchanged ideas on the topic. What should Panama's position be?

[Tack] I am in full agreement with the two articles written on the topic by Roberto Eisenmann in LA PRENSA newspaper. In those articles he opposes renegotiating the military bases. They are very well-written and his ideas are clear. It is for this reason that I have not given an opinion about this because I would have written something similar.

It is said that there will be an economic crisis if the bases leave Panama; nevertheless, one has to remember that Panama has highly-specialized professionals, and there are more every day because we currently have 15 universities that are training new professionals.

If these human resources are not capable of designing a plan for the intelligent use of developing the canal and reverted areas, I ask myself: What good has national education been? And those students who are currently returning from abroad, also have the capacity to suggest other proposals. [passage omitted]

[Golcher] What is your opinion on the Interoceanic Region Authority (ARI)? Are their proposals efficient?

[Tack] As it is known, ARI has contracted a U.S. enterprise to make a study to establish what possible uses to give reverted areas, most especially, the military bases. This study will be completed in 14 months. Meanwhile, we have to wait and it is said that there are Taiwanese coming and that they are going to offer work to 20,000 Panamanians. I have my doubts about those jobs... especially in the two forts that have just reverted: Fort Espinar and Fort Davis. It takes a lot of money to create 20,000 jobs and the entrepreneurs know this. I believe that Panamanians have enough capacity to decide what to do with our resources, we do not have to wait so long for such a priority topic. [passage omitted]

Final Reflections

It is interesting to talk with Juan Antonio Tack. His book, which is polemical, narrates another version of historic events between two nations. He can always be found there in the Panama Canal Institute, willing to unveil the background of events. No rhetoric is perceived in his statements; he is unpretentious and has a feeling of hope for a better future for Panama. The first chapter of his book reflects his main motivation: "Tell things like they are."

Former LA PRENSA Director Reacts To Perez' Stand on Bases

PA1509182295 Panama City LA PRENSA in Spanish 15 Sep 95 p 28A

[Article by I. Roberto Eisenmann, Jr.: "Bases, Pardons, and So Forth"]

[FBIS Translated Text] I am still appalled by the reports from Washington. I felt a sense of pain for the fatherland; which is a strange pain, because it is a lingering, nonphysical one, since it comes from the soul. Why? I asked myself time and again, unable to find a response. I agree we must have a friendly, cordial, and special relationship with the United States, but it was perfectly feasible to do so without considering our future as a nation.

We live in a new unipolar world. As for the topic of the possible permanence of the bases in our country, Washington still does not know what it wants. The moment was timely — with a presidential declaration — to establish parameters. For instance, the president could have said: "We are willing to talk about methods of cooperation for the war against drugs and emergencies, but there cannot be a single uniformed military in Panama by 31 December 1999. We must fulfill the treaties. Furthermore, in keeping with the Constitution, we must become the second demilitarized country of the continent." That parameter would have been respected by the United States, because it is reasonable and logical, and because it is a matter of the Constitution and international treaties.

Instead, our president subjected himself, needlessly and voluntarily, to an open process which we know will wind up as an imposition. Furthermore, it portrays us before the world with a lousy image of submission, and again thwarts our objective of completing the process of becoming an independent, demilitarized, and neutral country.

I confess I don't understand, and much less do I understand the empty and deceiving phraseology that was used: "It is not in the agenda," "If they bring it up...", etc., knowing full well that all of these things were fully arranged before the trip. They insist in wanting to treat us like children. What a historical mistake!

I was overtaken by this depressing thought, when I was roused from my stupor by the hateful ringing of the telephone. "Mr. Eisenmann, the president is calling." (I thought "but if the president is making blunders in Washington, surely it must be a friend of mine up to his tricks." Then I heard the "click" and someone said..."Bobby...This is Fito!" What a disgrace, for me!...It was his excellency, Fitain...the president!...the man who celebrated (and had his photograph taken while he did so) the burning of La Mansion Dante, where a large part of my real and affectionate family members were on the verge of being bullet-riddled or burned..."Hey, look, I am signing a pardon for a bunch of journalists. There is a suit against Ibeth Vega, a LA PRENSA reporter in which you appear." (Suits against journalists for libel or slander always include the media director as the responsible party. In over 15 years, I appear as LA PRENSA director, not once, but in over one dozen suits, most of them filed by friends of the military regime) "I am consulting you," he added. My guts were telling me, don't accept anything from this guy! But then I thought of the peace this would bring to journalist Ibeth Vega, who was upset by this suit, and wanting desperately to end the call I said: "O.K."...click and hung up. Of course, the following day when I saw the list of criminals, hoodlums, and thieves on the famous pardon list, I thought: "What a bunch of garbage! He thought we would help him to deal another blow to our downtrodden justice." That would be just like "His Excellency," Fito. No, nobody can believe that the president himself had not already approved a political act of that sort. It could be the tactic of making cakes for the Nation of Simpletons; If one is going to make an international cake, then at the same time let us make another national one that will satisfy the "nationalists" of the PRD [Democratic Revolutionary Party], and which at the same time will monopolize the country's attention.

How do you like that: Two horrible blunders by Ernesto Perez Balladares! One in Washington and another — by another person — in Panama the same week.

Bases, pardons...and still pending are other things to come during these days, especially sad.

Article Favors U.S. Military Departure From Canal

PA1609202295 Panama City EL PANAMA AMERICA in Spanish 15 Sep 95 p 7A

[Article by public administrator Nestor D. Flores: "Let Them Leave the Canal"]

[FBIS Translated Text] As the deadline is expiring and as the final hour to return the Panama Canal and all its assets is approaching, the controversy over the definite withdrawal or the permanence of a certain American presence after the year 2000 is worsening. The controversy is being stirred by large political and economic local and U.S. sectors representing vested interests and stating the old thesis that, without the "gringos," we will be unable to protect and manage the waterway.

Even though certain U.S. Government and Army spokesmen have said that they have no intention of managing the Canal after the Panama Canal Treaties run their course, the return of some of its assets (bases and others) in compliance with the aforementioned Canal agreements, as well as the return of its marines [previous word published in English] and the dismantling of the military installations, do not signify a desire to withdraw, because these actions are part of an economic policy aimed at reducing the budget allocated to attain a goal (combating communism in Latin America) that has already been achieved.

In light of the above explanation, how could we explain the fact that the U.S. Congress, behind the backs of its countrymen and our countrymen, is devising schemes (for after the year 2000) and interpreting the treaties in a whimsical fashion? This is the case of Law 96-70, whose objective it is to continue with business after the year 2000. Since the United States transports approximately 40 percent of its trade through this Canal, the most likely outcome is the fact that negotiations to manage this entity in a joint fashion will emerge. However, if these negotiations are held, they must have the consensus (through a plebiscite) of the Panamanian people; otherwise, "let them leave the Canal."

The construction of a dry canal in Costa Rica or Nicaragua under the pretext that, if they (the gringos) leave, they will build another canal there, taking with them, among others, the business, the dollars, the banking center [sentence incomplete as published]. The renegotiation of certain bases and a certain military presence with the trick of creating checkpoints to control drug trafficking is part of the publicity campaign the objective of which is to intimidate Panamanians and make the community aware of the significance of the North American presence here. The construction of these dry canals will not be profitable, considering the high and risky economic and environmental cost that is at stake. If they want a certain military (bases) presence to tackle drug trafficking, why do they not rent land in Darien and settle there, near Colombia?

This Canal trench signifies a long trail of sacrifices and battles by several generations of Panamanians and represents a legacy for the current and future generations, which will see this asset as an instrument to generate the wealth that will strengthen the economy of these impoverished people. Therefore, I suggest to the current government, as well as to future administrations, that, if some type of negotiations regarding the management of the Canal and the use of its surrounding areas is held, to act with a great deal of civil and patriotic responsibility. And remember "neither millions nor handouts..."

There are no doubts that we Panamanians are prepared to manage the Canal, because a high percentage of the labor that is currently managing it is Panamanian. Where we are indeed behind, due to the irresponsibility of the last few governments, is in the planning of the use of the surrounding areas and the areas that are reverting, which constitute an enviable economic bonanza. We only have to lure investors.

We must not be concerned about the withdrawal of our former partners. There currently are many and better offers, such as that of the Japanese, whose mouths are watering to invest here. In short, we must negotiate only and exclusively with the highest bidder.

The definite return of the Panama Canal and all its assets on 31 December 1999 means the end of the imperial yoke and the full recovery of sovereignty of a territory, whose people have a patriotic dignity rooted in sheer nationalism. This expected event has the significance of a true independence in modern times. Let us hope it will not elicit the unpleasantness these events elicit. We Panamanians are and will continue to be friends with the American people, however, you and all those who want to will have to abide by our laws. If they are unadvisable for them, as Carlos F. Changmarin said in his deeply nationalistic poem, let them leave the Canal!

Commentary on U.S. Military Bases, Fight Against Drugs

PA1609030795 Panama City EL PANAMA AMERICA in Spanish 14 Sep 95 p 9A

[Commentary by Jorge L. Santos]

[FBIS Translated Text] It has been clearly established that the U.S. military bases do not represent any commercial or financial benefit to the country; on the contrary, they hinder economic development and are an obstacle for future plans.

Many Panamanian experts have warned that the United States would probably use other arguments in order to stay in Panama beyond the year 2000, among others the problem of national security and drug trafficking.

When did the drug trafficking boom begin in Panama? We are only seeing the results and consequences; there has been an increase in the number of drug addicts, homicides, settling of accounts, money laundering, etc. We are experiencing everything we can watch in imported U.S. television series and a question emerges: Have the U.S. military bases not been present during this Panamanian holocaust? We must also remember that U.S. soldiers have been involved in these illegal activities.

So, are the military bases a guarantee to stop drug trafficking? Let us look at other factors.

Since the time the bases were arbitrarily installed in the country, they have always protected oligarchic governments. They meddled in our internal affairs every time they wanted and were able to. They did this on their own initiative or by request of our government. From the 1950's to the 1970's, they promoted military governments in all of Latin America. For the last couple of decades in that period the ECLA [Economic Commission for Latin America] and SELA [Latin American Economic System] recognized them as developing governments. The bases played an important role with programs, such as the ones subsequently called "Strong Roads" ["Fuertes Caminos"].

In fact, they wanted to legitimize their presence before the people. This past five year period has witnessed a race toward globalization, regional integration, opening of markets, etc. This is another economic vision, from where we might come out successfully or as victims.

The 1977 Canal Treaties were only an instrument to implement some unilateral actions. Nevertheless, the drug business went on, it was the "monster with a hundred heads" that was continually growing before the very eyes of its accomplice, who had all the information. The invasion occurred, and Noriega was arrested; the same person who handcuffed him, later on was accused of being involved in drug trafficking in the United States.

A scandal exploded in Panama due to the great number of Panamanians involved in drug trafficking. Nevertheless, only the pictures of the less important ones were published in the newspapers; our prisons were filled and new ones were opened, but they were not and are still not occupied by "the Panamanian capos."

In other words, how could the military bases deal with this problem; intervene in our country (once again breaking international law); go to the jungles in Darien to push drug traffickers away? Please, this is a national problem that must be solved by Panamanians. The soldiers stationed in those bases are not Mayflower exiles or the most cultured people from the United States. Then, what else can we expect, other than their cannons pointing at our hearts once again. I endorse the idea of an organization specialized in drug trafficking with international support (DEA, INTERPOL, etc.), but aimed at its target; armed with modern technology and an adequate infrastructure, however, military bases, for what purpose?

Columnist Discusses 'Polls of Opinion and Bases'

PA1609222295 Panama City LA PRENSA in Spanish 15 Sep 95 p 2A

[From the "Without Rhyme or Reason" column by Mario J. de Obaldia: "About Polls of Opinion and Bases"]

[FBIS Translated Text] In LA PRENSA's 8 September 1995 issue, the robust bull [a reference to President Balladares, whose nickname, "Toro," means bull] said: "I cannot turn a deaf ear on two-thirds of the Panamanian people."

He was not elected by two-thirds of the voters in May 1994. He does not mention this, however, but, using this phrase, which now serves him well, he will do what he has in mind, this is to say, sell the country to the highest bidder, be it American, Asian, or European. He clings to the poor excuse of polls of opinion. We say poor because he does want the bases to stay in our territory but does not have the civic and political courage to take full responsibility for his actions.

I think the polls of opinion should probe subjects which pollees are more or less familiar with. At present, most Panamanians are not sufficiently illustrated to consider the question: Do you want the bases to stay in Panama? President Perez knows this very well. One of these days, the pollsters will ask: Would you have an atomic or chemical war?

Those who argue that the bases should stay because they hire a good number of Panamanians, imply they want the bases to stay forever, precisely because the bases will always offer jobs. The same argument, with the same polls of opinion, will be applied when the Asians come, if they come. They will be asked to stay forever, because they will also hire people. Frankly, we are indignant that the president is attempting to re-enact with us Esau's story, who sold his birthright for a plate of lentils.

The Americans advance an even more childlike argument. They say the bases will serve to fight drug trafficking. Come on! Give me a break! If military bases were effective as instruments to fight drug trafficking, then we, who precisely have had Yankee bases for more than a century, should be the country with less drug traffickers and money launderers in the entire world.

We all know that armies — no responsibility to their members — are more vulnerable to all kinds of vices and aberrations than a normal, open society because they are artificial societies with iron discipline and asphyxiating hierarchies. Many U.S. drug addicts were healthy young men before Vietnam. On return, they were found to have become human wretches. If the Army is useful to fight drug trafficking, let the Americans use it in their own country, which could well use prophylaxis in this area.

Certainly, it was Carmelo, the one who is in heaven, [reference to General Omar Torrijos, who died in a plane crash], who legalized the presence of military bases in our territory because, although they existed prior to 1977, they had not been authorized by Panama. If Balladares, who has given clear signs of servileness, wants to negotiate the bases' continued presence here — on a perpetuity or otherwise basis — he should take this responsibility instead of hiding himself behind polls of opinion, which we know can be manipulated to draw the conclusions that are convenient to him.

And let him not worry for his fellow PRD [Democratic Revolutionary Party] members, who had 21 years of training. Sooner or later, they will defend Balladares' position anywhere. In my home province, what is happening is described as "short-lived flame." Show them the fold, Mr. President, and they will go in there "as one" and "fast, fast," as Mexicans say.

Column Links Bases to Access to U.S. Markets

PA1709193195 Panama City EL PANAMA AMERICA in Spanish 17 Sep 95 p A1

[From the "Panama's Pulse" column]

[FBIS Translated Text] Bases. Earlier, we had anticipated the inevitable link between the U.S. interest in maintaining some bases beyond 2000 and our interest in their opening their market to allow the Taiwanese companies that may be set up in the reverted areas to export their products to the United States and, that way, justify their coming to Panama.

Market. Panama is a reduced market with high production costs because of the dollar. The only way to compete with neighboring countries that operate with weak currencies is to offer something they cannot, and that is the possibility to export to the United States. But it would be naive to believe the topic is not linked to the bases. For the time being, the ball is in the U.S. court.

Agreement. We are correct in expecting that the path of access to the U.S. market would not be through the Free Trade Agreement but through the faster path of a bilateral agreement, as the one signed with Taiwan allowing the entry of our products into its market. President Ernesto Perez Balladares already broached the subject during his trip to Washington.

Prosecutor: Others Implicated in U.S. Soldier's Murder

PA1809003395 Panama City EL SIGLO in Spanish 17 Sep 95 p 2

[Report by Jose Gonzalez Batista]

[FBIS Translated Text] Private prosecutor Diego Velasquez has disclosed that, in the latest legal investigations, the Attorney General's Office conducted, other people have been implicated in the murder of U.S. soldier Zak Hernandez.

The Panamanian jurist, who represents the relatives of the murdered soldier, reported that, during the recent sworn statements witnesses made, the participation of other people in the incident in which Hernandez lost his life was uncovered.

He also said that these witnesses have stressed the implication of the son of Legislator Gerardo Gonzalez, Pedro Miguel Gonzalez, who remains confined to the National Police quarters, in this case.

Velasquez explained that, as time goes by, the prosecution has new elements and evidence corroborating the participation of Pedro Gonzalez and other individuals in the murder of the Puerto Rican soldier.

The prosecutor also underscored that, on 1 October, a delegation of Attorney General's officials, PTJ [Judicial Technical Police] members, defense lawyers, and prosecutors will go to the Scotland Yard, in the United Kingdom, to gather significant information regarding the case.

The reports that will be made in this case will scientifically determine the origin of the weapon used in this murder case. The UK experts will examine the ballistic reports Panamanian and U.S. investigative bodies made after the soldier's death.

The U.S. reports stated that the bullets fired upon the soldier fitted the weapons seized after the murder. These weapons were found buried in one of the farms of the accused, Pedro Gonzalez.

Gonzalez remains arrested at the National Police quarters and is accused of Hernandez' murder, which took place on 10 July 1992, the day before former U.S. President George Bush and his wife, Barbara Bush, visited Panama.

President Addresses Japanese Organizations

PA1609030495 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Sep 95 p 3B

[Text of speech by President Ernesto Perez Balladares to the Federation of Japanese Economic Organizations, Keidanren, in Tokyo on 12 September]

[FBIS Translated Text] Meetings with high-ranking Japanese Government officials, led by Prime Minister Tomiichi Murayama, and with a large number of representatives of the private sector, oblige me to begin my speech with an affirmation, which although obvious, does not cease to please me immensely; relations between Japan and Panama can only be describes as excellent.

In addition, it has also been established that the trade that can be fostered between the two nations is countless. My presidential visit, in addition to strengthening the ties of friendship between the Japanese and Panamanian people, is also to achieve that purpose.

Many Japanese companies have found in Panama the proper ground to establish their investments in the exterior, or to make important financial and trade transactions from Panama. This has allowed us to appreciate the laboriousness of its workers and businessmen, and the exemplary conduct of one another in the midst of a society far different from theirs, such as the Panamanian society. They are an example to emulate during the transition which my country is undergoing.

In fact, Panama has accepted the task of modernizing its economy and for that purpose it has approved laws which allow the opening of our internal market creating the proper conditions for foreign investments. Labor legislation has been made more flexible. A new and modern outlook has been given to labor and management relations: sources of conflict have been removed, and the operating cost of that relationship has been reduced.

Likewise, a law was approved to diminish the differences in awarding tax incentives, to make the Panamanian economy competitive, and to stimulate the efficiency and productivity of the private sector, without tariff protections, or privileges of any kind.

In addition, legislative action is being taken to give more protection to intellectual property. In one word, we have created the conditions for national and foreign investors so they can work in a proper environment, with guarantees and security for their investments.

All this, in addition to a wealth of opportunities opening up with the final implementation of the Panama Canal Treaties, in virtue of which goods, lands, and waterways until now used by U.S. military forces established along the banks of the Panama Canal, are reverting to Panama. The description of these areas and installations, as well as other possible uses for them, are included in a special report which you received.

However, I want to emphasize that, in addition to the commercial, industrial, and tourist uses, the establishment of a training and technical study center, which we have named the City of Knowledge because of its magnitude, is planned. In a Latin American summit held last week in Ecuador, Panama offered installations to establish a center to combat drug trafficking.

Ten days ago, two of the most important military bases reverted to Panama, and Fort Amador, located at the entrance to the Canal on the Pacific side will revert next year. The remaining bases will revert according to treaty stipulations, until all of them revert to Panama by 31 December 1999. This will give us the necessary time to plan and organize their future, so that, as they are left unoccupied, they can be occupied immediately.

The administration, custody, and maintenance of the properties is under the care of one agency, the Interoceanic Region Authority (ARI), which has the authority to negotiate rents, concessions, and sales without major bureaucratic red tape. This agency is currently under the direction of former Panamanian President Nicolas Ardito Barletta, who travelled from Panama today to be with us.

Moreover, the administration of the Canal will also pass into Panamanian hands on the last day of this century, as established in the Panama Canal Treaties. We clearly understand the responsibility which we will assume before the international shipping and trade community, and before countries, like Japan, whose costs and the trading of its main exports are affected by the efficient and safe operation of the Canal.

Panama has had increasing participation in the administration of the Canal, and since the treaties were implemented has had special interest in training Panamanian personnel, so that, in this aspect, Panama is prepared to take on its responsibilities and obligations. Currently, 90 percent of Panama Canal employees are Panamanian, and so is the administrator.

In meetings I held with President Clinton last week, and with prime Minister Tomiichi Murayama yesterday, I have found agreement in the need to study future alternatives for widening the Panama Canal. Likewise, I made an agreement with President Clinton to insure an orderly transfer of the Canal to Panamanian hands. To do this, there need not be important changes in the personnel currently working in the Canal as we near the date of transfer. Therefore, we have agreed that the personnel that will operate the Canal after the year 2,000 must be occupying their position in 1998.

Moreover, the Panamanian Government has convened a Universal Congress on the Panama Canal, which will be held in Panama City in September 1997. Invited to this Congress will be governments, international organizations, as well as Canal users so that they can become part of the strategic planning of the interoceanic waterway's future. Panama will also ask the maritime community in this Congress to contribute its know-how and experiences on the matter so they can be included in Panamanian laws and regulations, which will replace U.S. laws and regulations.

The Universal Congress on the Panama Canal will pay close attention to the topic of canal improvements, transit projections for well beyond the 21st Century, financing mechanisms, and a wide variety of matters related to the administration and operation of the Canal. It would be unnecessary to say that Panama believes Japan's participation in this Congress is extremely important and irreplaceable and I am pleased to say here that yesterday Prime Minister Murayama expressed a marked interest in this initiative.

Friends of the Keidanren:

My words only constitute a verbal expression of a much deeper message. Accompanying me today are ministers and other high-ranking government officials, legislators from the different parties, journalists, as well as a representative delegation of the private sector.

We have come from very far to show the face of a different country, a country in the process of change, a country that has decided to take a leap into modern times. Neither our internal political confrontations, inherent to all democracies, nor the differences with business and labor organizations constitute unsurmountable obstacles when the national interest is at stake. The different backgrounds of the Panamanians who are here today can only be explained by this and by the affection and admiration, which all our fellow countrymen feel for this great country, for Japan.

Editorial on Attempts To Bring Back Militarism

PA1609041795 Panama City EL SIGLO in Spanish 14 Sep 95 p 2

["Forum" editorial column]

[FBIS Translated Text] The intentions behind the hotheaded minds of some people who are unhappy with the path that civilians have given national institutions are obvious. Those institutions have been steadily moving away from the permanent danger for democracies posed by militarism, which is always waiting for an opportunity to take over the reigns of the nation.

At present, efforts are being centered on putting in front of the National Police someone with militaristic views who would take advantage of the circumstances to lay down his claws on citizens, disregarding their rights, including the right to express their opinion, disagree, or even exist.

National Police Director Oswaldo Fernandez is currently the target of attacks from the poorly disguised militarism, which is trying to advance, slowly but surely, on the path toward attaining its goals.

The community, however, is convinced of the danger that those intentions entail, and in response acknowledges the undeniable merits of the civilian leader of the Public Force: Serenity with firmness, equity without phobias or indulgence, actions based on the law and not on caprice, as the orders from a conceited and arrogant military leader usually are when he receives the injection of the borrowed false courage that weapons give.

Considering those legal, democratic, and civilian characteristics, current National Police Director Oswaldo Fernandez undoubtedly deserves to remain in his post. This would please the community, and would guarantee the continuation of the current state of law.

Bolivia

Social Communications Under Secretary Assumes Office

PY1509152995 La Paz LA RAZON in Spanish 9 Sep 95 p A8

[FBIS Translated Text] (ANF) — Mario Alvaro Canipa Vargas on 8 September assumed as social communications under secretary during a ceremony in that office.

The new under secretary promised endeavor, knowledge, and a willingness to implement the government's plans, and stressed that the current situation in the country requires a dedicated and decisive effort.

Canipa Vargas was previously national information director of the same ministry. He did an outstanding job in view of his experience in the local media.

Government Responds to Critics of IDB Offer

95SM0504B La Paz HOY in Spanish 31 Aug 95 p 7B

[FBIS Translated Text] Following the expression of harsh criticism by the opposition of the loan extended by the Interamerican Development Bank (IDB) to implement the capitalization of six state owned companies, the government has argued that not all of these resources will be used on this reform but on other reforms in the economic sector as well.

Edgar Saravia, the secretary of the Ministry of Capitalization, explained that implementing the capitalization and privatization programs will not use all of the $70 million in proceeds from the loan extended by the IDB.

Not Only for Capitalization

This loan was extended under the IDB "Program of Sectoral Adjustment for Capitalization." This means that the proceeds of this loan will also be used to finance other reforms in the economic sector. These reforms are also related to the capitalization process.

For example, some of the proceeds of the loan will be used in the establishment of the Sectoral Regulation System (SIRESE). Other proceeds will be used to strengthen general and sectoral supervision and for other purposes.

Saravia stated that the Ministry of Capitalization will not spend "one cent" without the approval of the Secretariat of Finance, the institution charged with the administration of these funds.

Furthermore, as he had already explained on a previous occasion, about 60 percent of the resources provided by the World Bank (WB) and the IDB, amounting to about $19.6 million, is still available.

The capitalization and privatization of state owned companies has been financed by three principal loans covering: the Project of Regulatory Reform and Technical Assistance to Capitalization, extended by the World Bank and amounting to $15.6 million; a co-financing loan to supplement the World Bank loan extended by the IDB and amounting to $2.3 million; and another, technical assistance loan also extended by the IDB to carry out the o73 privatization process.

Between Investment Banks and Consultants

The secretary of the Ministry of Capitalization stated that the resources extended by both multilateral organizations are "exclusively" earmarked for contracting consultants and investment banks.

External Financial Transactions

Name of Loan	Project	Source	In US$
Regulatory Reform and Technical Assistance for Capitalization	Tech Assistance	WB (IDA)	15,585,000
Cofinancing of IDA Loan No. 1	Advice and Public Information	Ministry of Finance/IDB	2,336,000
Privatization	Technical Assistance	IDB/879-Bolivian Secretariat of Finance	1,700,000
Total			19,621,000

Note: IDA is the International Development Authority

Capitalization Secretary Explains Financing

95SM0501A La Paz HOY in Spanish 21 Aug 95 pp 8-9

[Article by Jessica Fernandez S.: "$19.6 Million Will Be Spent on Capitalization"; first two paragraphs are HOY 21 introduction]

[FBIS Translated Text]

Foreign financing for capitalization and privatization will go to pay for consultants and investment banks.

Capitalization and privatization of state-owned companies will be financed by three principal credits: the Project for Regulatory Reform and Technical Assistance for Capitalization from the IBRD for $15.6 million, cofinancing of the IBRD credit by the IDB for $2.3 million, and another Technical Assistance, also by the IDB, to carry out the privatizing process. The government expects to conclude the process with the funds already allocated.

The completion of the process of capitalization of the six state enterprises and the privatization of the other economic entities that also belong to the state involves a series of expenses.

The Bolivian Government expects to meet this challenge with $19.6 million from the World Bank [IBRD] and the Inter-American Development Bank [IDB].

However, something over 3 million bolivianos must be added to that figure, which is the contribution of the TGN [National General Treasury] to the capitalization program.

Of these funds, the Ministry of Capitalization received 588,000 bolivianos and the National Secretariat for Capitalization received 2,501,146 bolivianos (see tables).

What are these funds used for?

According to the government, the funds will pay the honoraria of the consultants and the investment banks contracted for each of the firms to be capitalized.

Three Principal Credits

The Secretary for Capitalization, Edgar Saravia, explained to HOY that the capitalization and privatization of state enterprises is financed by three principal credits: the Project for Regulatory Reform and Technical Assistance for Capitalization from the IBRD for $15.6 million, cofinancing of the IBRD credit by the IDB for $2.3 million, and another Technical Assistance, also by the IDB, to carry out the privatization process.

The IDB representative in Bolivia, David Atkinson, said that the purpose of this credit is to pay the costs of capitalization and privatization on a one-time basis, to keep budget financing under control.

Between Investment Banks and Consultants

Saravia said that the funds provided by both multilateral organizations are destined "exclusively" for contracting consultants.

A considerable portion of these funds is used to pay for contracts with investment banks, which provide advice in the process of capitalization to each of the firms. The investment banks are paid fixed honoraria, and additional honoraria for "results," the latter related to the size of the transaction.

In this case, the Bolivian Government pays only the fixed honoraria, and those for "results" are assumed by the strategic capitalizing partner of each of the state firms.

Another portion of the credits is used in contracting consulting firms, in every case using the proceeds from the international organizations.

For contracts of individual consultants, a form of regular payment is established, which means that payments are made as the work progresses.

Not One Cent More for the Process

Saravia estimates that the capitalization process for the six firms and the privatization of a number of other economic entities will be concluded with the funds committed to date. "The idea is that these funds will bring us to the end of the year and the end of the capitalization process," said Saravia.

Of the $19.6 million between credit and technical assistance, only 40 percent has been spent by the Ministry of Capitalization, but 70 percent of the total has been committed.

The Treasury's Funds

The National General Treasury, through a budget approved by Congress, granted the Ministry of Capitalization a total of 3 million bolivianos, of which 2.5 million were allocated to the Secretariat of Capitalization and Investment, and only 588,193 for the Ministry itself.

Foreign Financing

Name of Credit	Project	Source	U.S. Dollars (million)
Project for Regulatory Reform and Technical Assistance for Capitalization	Technical Assistance	IBRD#2647BO	15.585
Cofinancing of IBRD	Advice and public relations	IMF [IDB] grant	2.336
Privatization	Technical Assistance	IDB/879-Sf-Bo	1.7
Total			19.621

source: National Secretariat for Capitalization

National General Treasury Financing

Name of Credit	Project	Source	Bolivianos
Ministry of Capitalization	1995 budget	National Treasury	588,193
National Secretariat of Capitalization	1995 budget	National Treasury	2,501,146
Total			3,089,339

source: National Secretariat for Capitalization

Evo Morales Views 'Neoliberalism,' Chiapas

95SM0503A La Paz HOY in Spanish 27 Aug 95 pp 2-3

[Interview with Evo Morales, leader of the Coca Growers Federation, by Martin Sivak, HOY correspondent, in Buenos Aires; date not given; first paragraph is editorial introduction]

[FBIS Translated Text]

On the eve of the intensification of the conflict in southern Cochabamba, Evo Morales travelled to Argentina to take part in a seminar on the social impact of neoliberalism in Latin America. He was interviewed there by the HOY correspondent, and disclosed, among a number of other things, that he is very enthusiastic at the idea of meeting with subcomandante Marcos, leader of the Mexican Zapatist guerrilla movement. He did not hide his admiration for Fidel Castro, who in Morales' opinion should be the "commander of the Forces of Liberation of Latin America." In passing, he accused the current government of having a "Hitlerite" mentality. Confessions of an unknown Evo Morales.

During his stay in Buenos Aires, he met with people from the Bolivian community, he bought books and made several telephone calls to Cochabamba to learn about events of the weekend. Due to a lack of time, and to his regret, he was not able to enjoy any soccer games. Prior to describing the situation in Bolivia and pointing out the consequences of neoliberalism in Latin America to 800 persons, union leader Evo Morales spoke with HOY in an empty classroom in the Faculty of Philosophy and Letters.

[Sivak] Mexico has an important part in the seminar you have come to participate in. What similarities and differences are there between the Zapatist Army of National Liberation [EZLN] and the Bolivian peasant movement?

[Morales] In Bolivia the struggle is peaceful, and in Chiapas the comrades are in armed rebellion. In Bolivia, there is a nonviolent movement, and therefore legitimate, while the response is violent and illegitimate. This could bring surprises in the future.

[Sivak] In what way?

[Morales] Well, it will be the comrades at the grassroots who decide. Because, fortunately, we leaders are not the ones who decide.

We can meet and explain things, but it is the masses who decide which road to take.

[Sivak] Do you believe that the Chiapas phenomenon could occur in Chapare?

[Morales] I believe it would take very little to reach that point. If the government continues to attack, Chapare could explode at any time. I do not want to speak out of turn about some things that are happening. As a leader, I am very worried: Bolivia could have a civil war if the government does not desist from its repressive acts in the southern sector of Cochabamba. They are trying to eradicate men, not hunger. Many people are surviving hunger. The problem of the stomach has consequences and there can be many surprises... I do not want to get ahead of events.

[Sivak] Do you see the possibility of an armed rising as distant?

[Morales] I do not know.

[Sivak] In recent months, what changes have there been in your relationship with the peasant movement?

[Morales] I learned to have great respect for the women comrades. Thanks to the women comrades on two or three occasions, I am able to be free here with you. When they understood the problem, the women comrades were the first to fight in the streets for our freedom. Therefore, two years ago I was wrong in not giving much importance to women comrades. In the end, I realized that the woman comrade was worth much more than the man. And now she is more revolutionary than the man.

The role of women in the Mexican peasant movement, for example that of comandante Ramona, demonstrates another similarity to the Bolivian peasants.

[Sivak] How do you evaluate events in Chiapas?

[Morales] We aspire some revolutionary movement (sic) [as published] that seeks the transformation of the system. I am convinced that neoliberalism is not going to provide the solution. Neoliberalism is the law of the strongest, the strong can live; but those of us who are not strong can die of starvation. Personally, I do not think it is good.

[Sivak] What do you think of Marcos?

[Morales] Well, I have never spoken with him. I have read some articles. It is interesting when he writes about beginning to fight alcoholism in Chiapas. It is excellent as well as practical. It would be interesting to talk to him. But we could have many heroic figures.

[Sivak] Who would these figures be?

[Morales] Fidel Castro. If we want to be free, in Latin America there should not be one Cuba but several Cubas. Let us live, poorly perhaps, but let us live with dignity and sovereignty. What do we need for that? Heroic figures. And for me, Fidel Castro is such a figure. I am ready to proclaim him commander of the liberation forces of America or Latin America, at least to move ahead. And there may be many such figures.

But I had better stop there, with all due respect, because we are always being criticized for being seditious and subversive. Therefore, I will stop.

The Bolivian Armed Forces

You spoke of liberation forces on a continental scale. What is your current relationship with the Armed Forces?

[Morales] It is true that the forces of repression that say they are fighting against drug trafficking, such as the Leopards, are enemies of the peasants, especially in Cochabamba province. Their behavior is completely different from that of the Armed Forces. I personally have experienced much solidarity whenever I was under confinement. A number of officers would line up to have their pictures taken with me. It was not with Evo Morales, but with the peasant movement.

[Sivak] Is a reappearance possible of the Army-labor union alliance that existed in Bolivia in the early 1970s?

[Morales] Well, I am not a politician and I am not able to judge. But there is a threat from the United States to make the Armed Forces disappear and to create a gendarmerie in Bolivia at the service of the United States. There are officers who are aware of this situation and who are working to create a consciousness inside the Armed Forces to defend the Armed Forces. I personally am ready to defend the Armed Forces—but Armed Forces that are for the people, not against the people, as was the case in the past, during the dictatorship. A profound restructuring is necessary, and I made some proposals while I was under confinement.

[Sivak] What were the proposals?

[Morales] To seek a balance between the regiments that are on the borders and those in the cities. Second, as compulsory military service is involved, everyone, but everyone, must go into the service, with a few exceptions for students. Because, at this moment youths 13 and 14 years old, peasants, are in the barracks, while the people from the bourgeoisie and petit bourgeoisie do not go. They purchase military identification or they have relatives in the military. Then, they get a military haircut and continue going to the university. This is corrupting the Armed Forces. Another matter is that the

Armed Forces must protect the physical integrity of the national territory at the borders.

[Box, p 2]

Bolivians in Argentina

[Sivak] HOY published an article that pointed out that living conditions for Bolivians in Argentina are not good. Why do you think this is?

[Morales] Neoliberalism. I believe that word says it ll.

[Sivak] What conclusions have you reached after meeting with people from the Bolivian community in Argentina?

[Morales] Yesterday, with great sorrow, I was able to meet with many Bolivian comrades here, who were laid off at the mines. Those who have not been able to find work in Bolivia come to Argentina to look for work. They live in the area around San Lorenzo (soccer club) and they wait. Suddenly, there appears a little Chinese man, as they say, and they gather like flies around his car or his pickup truck to ask for work. They do not get any, and as they are waiting for the Chinese or Korean, a policeman arrives, begins to check their documentation, and takes them away. They live in camps, entire families live in little rooms 3x3 meters or 4x4. This tiny room is kitchen, dining room, bedroom, and certainly bathroom, as well. These are the effects of the neoliberalism that is being practised in Bolivia [as published]. When I have more information, I am going to begin a campaign to help the immigrants who came to Argentina.

[Box, p 3]

Drug Trafficking Is the Ally of Neoliberalism

Morales also said that the drug traffic had become the ally of neoliberalism.

[Sivak] You were invited to speak at this meeting in Buenos Aires about the consequences of neoliberalism. What is the role of this practise in the Chapare conflict?

[Morales] I can state that the drug traffic is the ally, the partner of neoliberalism. Free imports are eliminating traditional production. We not only have a right to survive, we also have a right to live. The state and the government have the obligation to provide guarantees so that we human beings can live. But there are no guarantees, because free imports are eliminating traditional products. Bolivia and the entire Andean region are coming under the influence of coca production. Therefore, this has become a big business for neoliberalism, like laundering narcodollars, or bank secrecy. Nothing is said about this. If it were not for market demand, not one coca leaf would be turned into cocaine.

[Sivak] An Argentine magazine published an article this year in which the executive secretary of the Trade Union Federation of Bolivian Mine Workers [FSTMB], Victor Lopez Arias, stated: "Underground drug trafficking movements are supporting the government of Sanchez de Lozada." Do you agree?

[Morales] No right wing political party is exempt. If we mention the MNR [Nationalist Revolutionary Movement], we can talk about Doctor Fernando Barthelemy and the subject of Huanchaca. If we speak of the MIR [Movement of the Revolutionary Left] and the ADN [Nationalist Democratic Action] it is the same. In this situation, 21060 itself—that legal measure that provides an opening for neoliberal policies—permits the laundering of narcodollars without any investigation. The popular movement as a whole has asked for the passage of a law to investigate suspicious wealth. The MNR, the MIR, and the ADN were against the approval of this law. This shows how things are.

[Sivak] What conditions would be required to improve the dialogue with the government?

[Morales] The Bolivian government makes it seem as though we are against the people, the villains of Bolivia, the villains of the world. They have a real Hitlerite mentality. In Germany, the villains of the world were the Jews. Therefore, they had to be killed. In Bolivia, the villains of the world are the coca growers. Therefore, they must be killed. We demand a change in the institutional plan that would bring back the Ministry of Peasant Affairs. Because the reform of the executive branch eliminated that ministry. And now, we coca growers come under the Ministry of Interior and, as if we were criminals, we are under an apparatus of repression.

[Sivak] What is the solution?

[Morales] Look, my first arrest happened in a large military maneuver, without physical violence. They said that there was a meeting with Shining Path or with guerrillas from Colombia, who were plotting in Copacabana to prepare a coup. They brought us to Tiquina. There, the Armed Forces behaved well. But two comrades were brutally tortured and imprisoned. They were asked to testify against Evo Morales to destroy Evo Morales. They also asked the coca growers to testify against me, or else they would link them to drug trafficking. We were completely isolated. But we were not cut off from the government, because the next day I was in La Paz, and an undersecretary wanted to negotiate the eradication of the coca leaf with me. They offered me the vice presidency of the MNR. They said to me: "If you help us get the people out of Chapare, what a good running mate you would be for Juan

Carlos Duran." They also told me that the entire cabinet would help my candidacy for the Nobel Peace Prize. So that, having a good relationship with the government becomes very difficult.

[Sivak] Why do you think the Bolivian Government is maintaining the state of siege?

[Morales] To carry out the reforms, which are changes being made so that everything will remain the same. They are plans to neutralize the social movement. Therefore, in order to implement capitalization, educational reform, and the Popular Participation Law, the state of siege is applied. They do it to put a lid on discontent and shut the moths of the Bolivian people. We do not see this as a democracy. If it were a democracy, there would be a dialogue and respect for human rights. Within a few months, we have lost two Quechua comrades who were brutally shot by the security forces. This means that the government has decided to attack with everything, applying Option Zero. They are trying to have their way with the land, the coca, and the union movement.

The Nobel Peace Prize and What Follows

[Sivak] How is your candidacy for the Nobel Peace Prize faring?

[Morales] I am still on the list. The greens are helping. The Nobel Peace Prize committee will decide in November or December. I think that the person chosen will be Father Samuel Ruiz (mediator in the Chiapas conflict).

[Sivak] What are your immediate plans?

[Morales] There has been some thought given to creating a political instrument to regain political power. The COB [Bolivian Labor Federation], the union, the confederation, the federations, are also political instruments for street activities, road blocks, marches, and hunger strikes. But they are not political instruments to regain political power.

[Sivak] What characteristics should this political instrument have?

[Morales] We are making preparations with the new generation about how to use political power, and how to fill Congress. We are making progress. There is a national directorate for the political instrument, called the Assembly for the Sovereignty of the People [ASP], which is preparing to collect signatures to gain recognition by the National Electoral Court, and it is formulating statutes and programs. It will be a party, but with two dimensions: the tactical and the strategic.

[Sivak] What would the tactical and the strategic be?

[Morales] We will talk about that another time.

The person called Alex Trompetista, a baker, and now candidate for the Nobel Prize, is going to make his report to the seminar, and the interview ends. The tape recorder stops, and uncertainty deepens regarding the conflict in Chapare.

Article Views Bioceanic Corridor Project

95SM0504A La Paz HOY in Spanish 31 Aug 95 p 7B

[Article: "Bolivia Should Invest $1.7 Billion in Bioceanic Corridor"; first two paragraphs are editorial introduction]

[FBIS Translated Text] The bioceanic corridor will be one of the greatest challenges for Bolivia. In 1995 alone some $500 million will be invested.

With the construction of the bioceanic corridor the distance for the shipment of products to market by river will be 1,000 km shorter, and about 4,000 km less for products which use oceangoing transportation. As a result, this will be one of the greatest challenges facing Bolivia over the next five years.

To become a bridge between the Atlantic and Pacific oceans, Bolivia will need to spend about $1.7 billion. By the end of 1995 alone some $500 million will have been invested in this effort. This was stated by Freddy Teodovic, the secretary of the Department of Transportation.

The official explained the roads policy which the government is following at the seminar on "Bioceanic Corridors," which was held on 30 August under the auspices of the Higher National Studies Graduate Center. He gave the above figures in his speech.

Teodovic said that, following the meeting of secretaries of transportation of the Southern Cone of South America, held recently in Chile, it was decided to use Bolivia as a bridge to create the bioceanic corridor, to save thousands of kilometers of distance and to reduce transportation costs.

The distances traveled by those products marketed by river will be about 1,000 km shorter and about 4,000 km shorter in the case of those which use oceangoing transportation. As a result, this will be one of the greatest challenges to confront Bolivia over the next five years.

Incoming and Outgoing

There are two routes to enter Bolivia from Brazil: through Puerto Suarez and San Matias. Then goods travel through Santa Cruz, Cochabamba, and La Paz and move from Bolivia to Peruvian and Chilean ports on the Desaguadero or Tembo Quemado rivers.

Progress has been made on the preparation of the route through Puerto Suarez. The section from Pailon to San Jose will be built at a cost of $80 million. Recently, bids were invited for a feasibility study on the construction of the section leading to the border with Brazil. Construction of this section will cost about $280 million.

No work has yet been done on the route through San Matias. It is hoped that preliminary feasibility studies will be undertaken, as well as negotiations to obtain loans from international organizations.

Work on the segment of the route to the Pacific Ocean is already fully under way. The route from Rio Seco to the Desaguadero River and from Patacamaya to the Tambo Quemado River will be completed in 1996. When that is finished, the way will be open to reach the ports of Peru and Chile.

Other Projects

Other projects will be implemented to provide for the true integration of Bolivia, including the highways from Santa Cruz to San Borja, via Trinidad. This section will connect with the highway being built from Cotapata to Santa Barbara, a project now under way.

Furthermore, there is a proposal to build a road from Santa Cruz to Hito Villazon, via Boyuibe, which is now under study.

The secretary of the Department of Transportation said that for all of these projects, including the bioceanic corridors and the sections of road to connect the eastern part of Bolivia with the Altiplano [High Plateau] area, $1.7 billion will be required, of which $500 million will have been invested by 1995.

There remains the matter of obtaining the other $1.2 billion, which should be negotiated over the next five years. This money will be spent on completing the bioceanic corridors and implementing the principal, national integration projects.

Bases for the Strategy

According to Teodovic, all of the road projects should be dealt with under a master investment plan and should not be carried out simply to respond to regional pressures, without any previous planning.

Furthermore, river navigation should be stimulated in the Amazon River area, principally on the segment from Ichilo to Mamore, so that it will be possible to transport part of Brazil's grain production through Bolivian territory, using Bolivian services.

A regulatory framework will also be approved for the construction of toll roads, so that the Bolivian Government and the private o73 sector can carry on highway construction and then leave maintenance to private companies.

Finally, if the government issues a cargo regulation under which the transportation companies respect limits on the weight per axle of trucks and if the functions of the National Highway Service (SENAC) are changed from constructing roads to checking on their construction, a great deal will have been contributed to the bioceanic corridor.

Brazil

Congress Approves New Rules for Budget Committee

PY1509164795 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 15 Sep 95

[FBIS Translated Text] The structure of the joint congressional budget committee was modified by Congress yesterday. Through a symbolic voting session, Congress approved a bill modifying the operational rules of the budget committee. The main changes affect the presentation of amendments. From now on, the number of individual amendments presented by each congressman has been reduced from 50 to 20. According to Luis Eduardo Magalhaes, president of the Chamber of Deputies, the measure will prevent the discussion of amendments that only attend to municipal interests. Such kinds of amendments are often not approved, and only serve to complicate and extend the sessions of the budget committee.

Another change envisages the creation of regional amendments so as to attend to the interests of more than one state. Besides this, amendments that include priority actions as defined by the Budget Guideline Law will be given priority treatment. The quorum necessary to discuss amendments was not modified. Therefore it will continue being absolute majority, that is, half of the committee members plus one. The presidents of the lower house and the Senate expect the 1996 bill to be approved by 15 December.

Chile

President Frei Submits Armed Forces Reform Bill

PY1509134395 Santiago EL MERCURIO in Spanish 23 Aug 95 p C3

["Text" of bill amending the Armed Forces Law submitted by President Eduardo Frei to Congress on 22 August — quotation marks as published]

[FBIS Translated Text] "Honorable Senate: Improving and modernizing our democratic institutions and adapting our legislation to permit the president of the Republic to effectively exercise all his constitutional prerogatives regarding the Armed Forces and the forces of order and security have been commitments pursued by the Patricio Aylwin administration and my administration. In the past few years, the government sent to Congress bills to amend the Constitution and the laws organizing the Armed Forces and Carabineros in a manner that is consistent with this purpose.

This bill takes into account and summarizes legislative debates on similar bills submitted between 1992 and 1993. This bill contemplates original criticisms and arguments used on previous occasion.

This bill has the purpose of defining the president's constitutional prerogatives on national defense and his powers with regard to the Armed Forces and the forces of order and security more efficiently and clearly.

My administration is determined to formulate a national defense policy based on a broad consensus so that it can have great legitimacy and support. In pursuing this goal, the administration has acted without thinking of transitory or partisan circumstances.

The political and constitutional debate on these issues, however, is currently affected by the existence of objective obstacles in the current law regulating the Armed Forces and Carabineros that prevent the president from fully exercising expressly established constitutional prerogatives. A national defense policy must be built on the framework of an Armed Forces that is fully subordinated to the legitimately established civilian political power and that strictly observes the principles of obedience and does not deliberate.

In effect, Article 32, paragraph 18, of the Constitution expressly establishes that it is a prerogative of the president of the Republic "to decide on Armed Forces and Carabineros officers' appointments, promotions, and retirements."

The Armed Forces organic law, however, despite the clarity of this constitutional provision, establishes that the president of the Republic requires a proposal from the respective armed branch commander in chief before deciding on appointments, promotions, or retirements.

This disposition is based on the opinion of the Commission for the Study of a New Constitution. This commission sought to prevent the president of the Republic from fully exercising his prerogatives regarding the Armed Forces. The commission used three mechanisms to pursue this objective, but each mechanism was eliminated in later studies of the draft constitution. First, it eliminated the word "decide" from the law that authorizes the president to organize and distribute our air, ground, and naval forces. The commission's draft only permitted the president to organize and distribute the Armed Forces. The Council of State, however, reinstated this prerogative. Second, the commission established that the president needed the consent of the Security Council before assuming the post of Armed Forces Supreme Commander. The Government Junta, however, eliminated this requisite. And third, the commission interpreted obedience on the part of the Armed Forces to mean "obedience to their commanders." The Council of State eliminated the expression "to their commanders."

The Ortuzar Project [not further specified] proposed that appointments, promotions, and retirements be made at the proposal of the commanders in chief and following their decision. The Council of State eliminated this proposal, ordering that promotions, appointments, and retirements be made through supreme decrees. This measure sought to prevent a weakening of the president of the Republic's authority. The counsels representing the military had a special participation in this decision. They were General Izurieta, General Huerta, General Garcia, and Admiral Barros [not further identified].

The Government Junta went even further the third time it revised the draft Constitution. It changed the words "carry out" — meaning fulfill or implement — the appointments, promotions, and retirements in Article 32, paragraph 18, replacing them with the words "decide on" — meaning deliberate, determine, order what is to be done, or exercise authority, as with private property.

However, the disposition proposed by the Ortuzar Commission that was eliminated by the Council of State and the Government Junta was reinstated in the Armed Forces Organic Law, thus conditioning the exercise of presidential decisions on requirements that were not anticipated or that were rejected by constituent delegates.

This is why we are convinced that the Armed Forces and Carabineros Organic Law needs to be amended in order to be fully in accordance with constitutional purposes and tenets on the matter.

This draft amendment will allow the president of the Republic to decide on the retirement of general officers without the requirement of a proposal by the respective commander in chief. This decision will be implemented, in special cases, through an administrative act and after hearing arguments.

We must emphasize that the preceding proposal does not hurt the normal development of Armed Forces and Carabineros officers' professional career because the prerogative only affects those who are near the end of their careers. This attribution is a necessary requirement to promote an officer to a high position and for the responsibilities that are placed on his shoulders.

In pursuance of what I have just stated, I submit to the Honorable Senate the following bill for discussion during this regular session, on an urgent basis, with all its constitutional implications — including constitutional requirements that might have to be fulfilled by the Honorable Chamber of Deputies. I classify the following draft law, in accordance with Articles 26 and 27 of Law 18918 of the National Congress Constitutional Organization, as "simple."

"Article 1.0 — The following changes are introduced into Law 18948, called the Armed Forces Constitutional Organization Law:

a) The following paragraph two, new, is added to Article 7.0:

"However, in special cases, the president of the Republic will be empowered to decide on the retirement of general officers without the requirement of a proposal. In this case, the corresponding supreme decree will include the argument supporting the decision and a statement specifying that the respective commander in chief has been heard," and

b) The following paragraph will be added as final paragraph to Article 54:

"In the case of general officers, a cause for absolute retirement will be what is established in the second paragraph of Article 7.0."

Article 2.0 — The Carabineros de Chile Constitutional Organic Law 18961 is amended as follows:

a) The following paragraph two, new, is added to Article 10:

"However, in special cases, the president of the Republic will be empowered to decide on the retirement of Supreme Appointment Personnel with the rank of general officers without the requirement of a proposal. In this case, the corresponding supreme decree will include the argument supporting the decision and a statement specifying that the General Director has been heard," and

b) The following paragraph is added as a final item of Article 41:

"In the case of general officers, a cause for absolute retirement will also be what is established in the second paragraph of Article 10."

Finance Minister Aninat Interviewed on Objectives

PY1609013395 Santiago ESTRATEGIA in Spanish 28 Aug 95 pp 32-34

[Interview with Finance Minister Eduardo Aninat by unidentified ESTRATEGIA reporter; place and date not given]

[FBIS Translated Text] After a year and a half as finance minister, Eduardo Aninat feels at ease in his post. He has said that during these past months he has never had "his hands tied" because "in each complex decision — and there have been many — I have received 100 percent of President Frei's support and, I would also say, his endorsement."

Although to many he might seem to be dedicated strictly to NAFTA negotiations, a subject which is today on the back burner, he is the one in charge of stressing his participation in other initiatives. "I feel fully responsible for and consider myself a creator" of the greatest opening for investing abroad by pension funds and insurance companies, and for the creation of international investment funds... "I was the mastermind" of exchange freedom for exporters, and "I believe the Central Bank would admit that, given the fact that it was a measure adopted jointly."

Concerning macroeconomic figures for 1995, we are getting ready to finish the year with "flying colors." According to his own projections, growth will reach 7 percent, and it could even be higher, while inflation — regardless of the poor August statistics — is heading toward the predicted goal of 8 percent.

[ESTRATEGIA] Minister, will it be possible to maintain these positive results in 1996?

[Aninat] According to the August data, and before concluding the preparation of the national budget, our estimate is that we are on good footing to begin 1996 with very favorable macroeconomic goals.

I admit, however, that in the budget exercise with all the ministries there are some areas of adjustment — such as in the Armed Forces, and in the public sector by the end of the year — that must make us cautious concerning what will be decided there.

[ESTRATEGIA] Do you agree that Chile has demonstrated this year that it can grow at a very high rate with interest rates which are also considered high?

[Aninat] This year we will achieve a 7-percent expansion of the GDP, and perhaps a little more, but with an income effect — I want to underline income effect — of extremely high exchange terms. Therefore, it is true that we are growing at a rate of 7 percent, and at the beginning of the year we were talking about a rate of between 5.8 and 6 percent. But we were not even dreaming of such good international prices, which I do not think could be ever repeated. Eliminating this effect, then, our economy could grow at a pace of between 5.5 and 6 percent.

[ESTRATEGIA] With the current interest rates?

[Aninat] If we look back two or three years, current interest rates are relatively high, but in the short term I do not see them to be out of line because there has been a greater fluctuation in the international inflation rate, in the internal inflation rate, and in the dollar exchange rate.

[ESTRATEGIA] A few weeks ago you said that you would like the Central Bank to be more cooperative with the policies of growth and development in some productive sectors. What do those words mean exactly?

[Aninat] From the Finance Ministry's point of view, the voice of the Central Bank, which is very serious and responsible, at times sounds a little single-minded — stressing single; that is, the objective is low inflation, low inflation, and low inflation. We would like that intense and strong concern to also extend to the growth of many productive sectors. I admit that it is not the Central Bank's job to begin worrying about the expansion of the agricultural sector, manufacturing sector, or construction sector, but I do believe that its experts must be more aware and sensitive to more balanced growth, to include that in its priorities along with a low inflation rate.

Sometimes we think — and this is not a criticism — that they overemphasize the objective of price stability. This is positive because it helps us, but the important thing is that all macro prices be balanced.

[ESTRATEGIA] But speaking concretely, what do you miss most?

[Aninat] A more active monetary policy. Only over the past few months has the Central Bank adjusted to this new system of bidding, with a shorter term for interest rates. We believe that a more active policy helps, and that open market policies must be intensified through it.

We would like to have a very active Central Bank, up to date on daily issues, and not one that waits for events to force the adoption of discreet measures. This does not mean that the Central Bank is irresponsible — it has been ultraresponsible — but it could better predict some phenomena every now and then.

[ESTRATEGIA] Were you any time nervous over the sustained dollar drop in the second quarter?

[Aninat] I was so not nervous about it that, when Argentine journalists — at the request of Chilean journalists — asked me from Argentina about what the minister would do about the dollar drop, I gave a very clear and relaxed answer: nothing.

I believe the dollar is reaching its own position of equilibrium, under forces that are strongly dependent on the situation in the rest of the country, in the external sector, on the situation abroad, on the exchange rates in foreign countries, and also on the local market trend in the exchange rate floating band. The government is not interested in absolute figures — so many pesos per dollar — but in having a line of performance with as little fluctuation as possible.

[ESTRATEGIA] Did you expect the dollar price to return to 390 pesos, as it has in the past few days?

[Aninat] I have always been sure that the dollar price drop could somehow be compensated for by external events and by market pressure itself.

[ESTRATEGIA] Don't you fear this might affect inflation?

[Aninat] Beyond all doubt, a high dollar price affects the peso price of imported and exported goods. Yet we believe that inflation, from the viewpoint of its deepest, most influential side, actually depends on the pressure that public and private expenses exert on a physical mass of goods and services. Consequently, in a line of performance that reflects trends, we do not believe the dollar price variable will exercise any influence on the adjustment of inflation. What is actually useful is the maintenance of austerity in public expenses, while keeping private expenses at sustainable levels.

[ESTRATEGIA] In other words, you had confidence in the measures adopted by the Central Bank...

[Aninat] Full confidence. I would like to say that we fully support increasing bank reserves.

[ESTRATEGIA] But was any estimate made of the impact that this might have on foreign investment?

[Aninat] There was concern, analysis, study, and even consultations with foreign lawyers. Facts finally proved that there was no impact whatsoever on Chile's risk rating — the classification given to Chile. This means that foreign investors took it as something normal or natural, like a commission or a small tax in a market that — like the Chilean market — is already very favorable because of its opening.

[ESTRATEGIA] Some sectors have interpreted that change as a modification of the rules of the game...

[Aninat] In economic policy, by definition, a change in taxes, expenses, tariffs, or monetary policy always affects someone. The important thing is that the model should be consistent as a whole.

[ESTRATEGIA] That is, it was necessary to increase beank reserves...

[Aninat] Very necessary, but it was nothing exaggerated, because the only thing we did was to prevent unwanted leaks...

[ESTRATEGIA] Doesn't this type of control contradict your opinion? Before you took office you said you wanted to take a new look at the issue of integration in our economy.

[Aninat] Not at all, because if you pass judgment on me on the basis of the other things that we have done, I will feel tremendously responsible, as their designer. We strongly liberalized the type of instrument with which pension funds can make investments...

I am the one who proposed to increase the limit on total assets that pension funds can invest in foreign securities to 9 percent. Moreover, I was the intellectual creator of the full liberalization of the obligation to refund exporters. I believe the Central Bank will recognize this, as it was a joint measure.

Everything that has been done in this regard is consistent, because what we are doing is widely opening exports, while placing some minor protections in some entry gates to the market.

[ESTRATEGIA] Therefore you were bold enough to make faster progress in the liberation of certain areas, a boldness Foxley's team was said to have lacked?

[Aninat] People took it as criticism, but I took it as a minor comment. Deep down at the bottom we have become aware of the importance of the Finance Ministry being seen as the guarantor of the stability of the model of growth with fairness. We feel like a key ministry or an institutional guarantee of this process of economic opening, freedom of enterprise, sustained growth, and, above all else, of social justice, because we think that this is what the Chilean people want.

We think that the Chilean people will not accept audacious alternatives to achieve things quickly because the risks that we must take are greater than the benefits.

That is what we learned: Real prudence resides in maintaining normal, sustainable speed.

[ESTRATEGIA] But the private sector's criticisms continue to center on the need for Chile to open its capital account.

[Aninat] Sometimes the private sector simply repeats nonsense. They listen to one or two economists — some of whom, by the way, are my friends, and who tell me in private that things are going well. However, these economists are paid to make analyses and since they have no major issues to criticize, they repeat the complaint that public expenses must be reduced and that the capital account must be opened faster.

Let me tell you an anecdote. I attended a dinner at which some exporters and bankers present engaged in a argument; the exporters were happy with the legal bank reserves because they help stabilize the currency, while the bankers, who are only interested in earning commissions, were furious at the legal bank reserves. I told them to settle their arguments and then come and talk to me.

[ESTRATEGIA] Did you put your negotiating abilities to work on that occasion?

[Aninat] I have learned to negotiate in this life a little. I spend the whole day negotiating with the ministers with whom I must begin discussing the budget issue next weekend.

[ESTRATEGIA] In view of the results of the budget implementation during the first half of the year, what do you foresee for the 1996 budget?

[Aninat] We hope to stress other subjects: First, we want to continue increasing total fiscal expenditures on education; we think that the education budget will increase considerably given the programs that were approved for 1996; second, we will increase to 40, possibly 50, the number of public institutions or services whose expenses can be controlled; third, we want to be somewhat more flexible — so to speak — with the investment component of some ministries, given their impact on the rest of the country. However, we also want to be quite restrictive with goods and services, current spending, and personnel expenses.

In terms of programs that require allocation increases, we will be very strict, by order of the president of the Republic. We do not want the body of public employees to grow at a rate similar to that of the rest of the economy. We think that we must work with a stable number of public employees, but with a greater level of productivity, efficiency, and quality. There must also be a better labor environment.

We think that in 1996 we will repeat our accomplishment of attaining a fiscal account surplus; we must maintain this insurance, this guarantee, which the country sees as an accomplishment in maintaining the credibility of our anti-inflation policy. Therefore we will again have a budget with all these different components and which, overall, will not be excessively expansive but rather restrictive.

[ESTRATEGIA] What will happen with the extra income gained this year from economic growth and higher copper prices?

[Aninat] Regarding copper, we are applying the idea of the National Copper Stabilization Fund. This means that when the price of copper surpasses a certain level, the difference is saved in an account in the Central Bank which is not spent. We have not touched the fund since the losses caused by the famous Davila case...

Regarding economic growth, we think that its effects on our income must be measured later because it must be understood that no matter how much the economy grows — which would not be more than one-half or three-quarters of a point, anyway — it is taking place within a framework in which overall and complementary taxes and taxes on labor were reduced for the second year in a row. Therefore we must be careful and observe the effects.

Also, the revenue service is losing resources from customs tariffs every time bilateral or subregional trade agreements are signed because they all reduce import tariffs. Losses depend on the countries involved. Our import tariffs for Mexican goods will be zero by January 1996, and this must be considered in the budget.

[ESTRATEGIA] Have you any estimates by how much fiscal income will drop?

[Aninat] We do, but we cannot report them. We are feeling the effects of the new trade agreements.

[ESTRATEGIA] For this same reason, don't you use this as an argument when tariffs are reduced?

[Aninat] Exactly. Reduction of import tariffs is never ruled out, but we must take it into consideration, see how the rest of our income is composed...

[ESTRATEGIA] At the end of the week you will begin discussing the budget with different ministers. Have budget allocations already been agreed upon?

[Aninat] They have been suggested, but we do not want to release the figures until the Public Revenue Service gives the joint Senate and Chamber of Deputies committee its report.

[ESTRATEGIA] But a few weeks ago a Central Bank official said he estimated a 6.7-percent economic growth and a 7-percent inflation rate for 1996...

[Aninat] On friendly terms, my dear friend Guillermo Le Fort received a slap on the wrist, not from the Public Revenue Service but from the Central Bank Council.

[ESTRATEGIA] Does this mean that the estimates are similar to what we are thinking?

[Aninat] For the time being, I have no comment on the matter.

[ESTRATEGIA] Economist Vittorio Corbo suggested that as a sign of austerity the government should maintain the saving rates at 5.2 and 5.3 percent.

[Aninat] Yes, Corbo raised our goals from 4.8 to 5.2 percent.

[ESTRATEGIA] Is this feasible?

[Aninat] I would say it is desirable, but I am not very sure it is a realistic goal in a year in which we must carry out many things...

[ESTRATEGIA] Will the subject of the debt with the Central Bank be included in the 1996 budget?

[Aninat] No, it is a debt with a defined calendar, which must develop normally. It is not and will not be included in the 1996 budget. The treasury has been making prepayments ranging between $100 and $200 million per year above the normal payment of its principal. We think that the subject is well resolved.

[ESTRATEGIA] Some economists have stated that the debt restrains the Central Bank's monetary policy.

[Aninat] From what I have seen during council meetings, I have not observed that the monetary or exchange rate policies have been restrained in any way whatsoever. The Central Bank is calm and has had no difficulties in this regard.

[ESTRATEGIA] Are you convinced that the best way to help social programs is by increasing taxes?

[Aninat] No, but there are two points to this issue: A tax adjustment must be implemented when it is required, only when it is strictly necessary; another method is by prioritizing and making more productive and effective the disbursement program, which must be in compliance with the guidelines Chile upholds at the end of the 20th century. What I mean is that we will not accept highly expensive programs, or unusual or costly initiatives.

[ESTRATEGIA] What is the purpose of maintaining an IVA [value-added tax] rate of 18 percent?

[Aninat] It has to do with tax stability purposes, the advantage of enforcing a consumer tax, which helps us combat inflation. It is a cyclical tax. It is an easy, open, and neutral means to collect resources and it is not costly to manage it. Chileans have gotten used to paying it and we are maintaining the same rate.

[ESTRATEGIA] What do you think about the proposal made by Felipe Lamarca and Vittorio Corbo on the need the revise the current tax system?

[Aninat] It is an interesting proposal that would be feasible to implement whenever a new system is proposed... I urge these two great economists, Lamarca and Corbo, to submit their proposal. I am not saying I am making a commitment, but they must specify what incentives they are proposing and their objective.

[ESTRATEGIA] Central Bank President Roberto Zahler has proposed "the need to make the tax policy more flexible, and to make it compatible with monetary policy objectives to achieve economic stability."

[Aninat] I agree 100 percent with my friend Roberto Zahler but if he saw the difficulties we faced in the Chamber of Deputies, the Senate, and even the Constitutional Court in approving an increase in indirect taxes, which are flexible, he would realize how complex it is to accomplish this. I agree with what he says, but it is easier said than done.

[ESTRATEGIA] Do you agree with downsizing the government?

[Aninat] No, not necessarily downsizing the government. I haven't the slightest idea of whether it is big or small, but I believe in making it more dynamic, particularly in making it more effective, more able to meet the real needs of the people. There is a term that cannot be translated: "accountability." [previous word in English] This is what we intend to do in the Chilean Government; that is, for each government institution to be able to fulfill the duties for which it was created and to meet consumers' needs.

[ESTRATEGIA] This process involves nine privatizations and some allege there is a certain stagnation in this issue.

[Aninat] Well, the privatization process of the sewage companies is under way, although I would like the legislature to expedite the debate process; progress has been achieved regarding the investment program in the Colbun Company through the investment of private capital. Moreover, we are studying possible changes in the railroad company.

[ESTRATEGIA] How does Codelco [Chilean Copper Corporation] fit in this agenda? A few years ago you were all in favor of privatizing Codelco.

[Aninat] That is a very old issue...

[ESTRATEGIA] But what do you think about the Codelco administration?

[Aninat] I believe Codelco is a company that is well managed and that Juan Villarzu has done a splendid job. As a member of the Codelco board, I am quite pleased with the work we have done and I believe that the board has been very pragmatic, very realistic, and has tackled the situation instead of wasting time in discussing theories.

[ESTRATEGIA] How would you define your ties with businessmen and workers who have openly criticized you [tirar las orejas]?

[Aninat] It is very difficult to criticize the finance minister. This year I believe that ties between the business sector and the Finance Ministry have cooled somewhat. We believe we are not to blame for this but that it is something of their own doing.

Moreover, we have achieved an excellent working relationship with unions. Perhaps this is why I feel quite calm. At least nowadays people on the street view me as a finance minister that is neither tied to business groups or union leaderships. I am viewed as a man who meets the demands of the average citizen.

[ESTRATEGIA] At a certain time people identified you as a business group man. Did this concern you?

[Aninat] No, I believe that was a myth spread by some media.

[ESTRATEGIA] Were you ever pressured by business groups regarding the dollar rate issue, the interest rates...?

[Aninat] It is useless to pressure people. Do you believe I am an individual who can be pressured?

[ESTRATEGIA] It is how you feel that is important?

[Aninat] I am calm...

Central Bank President Views State of Economy

PY1609020395 Santiago ESTRATEGIA in Spanish 22 Aug 95 p 4

[FBIS Translated Text] On 21 August the Central Bank celebrated a very happy birthday, its 70th, in view of the macroeconomic results of our economy during the first six months of 1995 and the prospects for its closing.

In front of an important audience that included monetary authorities from Argentina, Colombia, and Mexico, Central Bank President Roberto Zahler reviewed the auspicious projections one by one. GDP increased by about 7 percent during the first two quarters this year compared to the same period in 1994, and domestic expenditure increased approximately 10 percent.

Knowing that these variations imply a three-point discrepancy, the official explained that the increase in domestic demand has been greatly influenced by the recovery of the level of inventories. Therefore, if the said effect is not taken into account, then expenditure in consumption and investment has presumably increased by nearly 8 percent in that period.

Zahler has estimated a growth of "just under" 7 percent for this year, while domestic expenditure will surpass 8 percent. Within this framework, which includes the estimates of a balanced current account, or a surplus, amounting to $500 million and a trade surplus of $2 billion (it is presupposed that the annual average price of copper will be 113 cents) the national disposable income will increase by 11 percent.

It has also been estimated that private consumption will increase by the same percentage as overall expenditure, but it will be less than the income, which is the equivalent to an increase in domestic savings that has been estimated in a yearly record of approximately 27 percent of GDP.

Regarding the concern that has emerged over this topic, the Central Bank president reiterated his confidence that the goal of an 8 percent inflation rate will be obtained.

Expanding on this topic, he emphasized the decreasing tendency of our underlying inflation during 1995, which started out at 9.4 percent and close to July had decreased by 2 percent (in other words, it decreased to 7.4 percent). "Tendencies must not be extrapolated from monthly data, and an eventual increase in inflation in August does not alter our estimates on the progress of the economy or the possibility of complying with the announced goals," he said concerning the impact of the increase in taxes.

Anyway, he emphasized that the Central Bank is always alert and always analyzing data so that if it is considered necessary, "which is not the case," the appropriate corrective measures can be implemented.

In this respect, he added that "we will act firmly and decisively" so that in 1996 inflation will continue its tendency to decrease.

Referring to the cooperation that the fiscal policy must play in this area, he highlighted the fact that fiscal performance in 1994 and the 1995 budget have helped in reducing inflation. "Another worthy alternative would be to grant more flexibility to the tax policy so that it can actively cooperate with the monetary policy in the stabilization of the economic cycle," he added.

In addition to reiterating that the Central Bank is not willing to use the exchange rate as an anti-inflationary tool, Zahler denied commentaries and opinions that have surfaced lately regarding an alleged modification of the Central Bank's priorities in order to favor the exchange rate to the detriment of the inflation objective. "Our first priority is and will continue to be the stability of prices," he emphasized.

Notwithstanding, he warned that this is not incompatible with the maintaining of a real exchange rate.

Asked about the inflationary impact in the local market of an increase in the dollar value, Zahler recalled when the 1995 inflation goal was decided the dollar cost 400 pesos. He added that later on "it fell strongly and it was at that time that a large part of the market indicated that inflation would amount to 7 percent this year. There were factors that could make it fall and we now have factors that could make it rise slightly, but always within the planned margins."

In view of the fact that our country is integrating with the international economy, the Central Bank president considered as reasonable the increase in the price of the dollar due to the appreciation of that currency abroad.

Notwithstanding, Zahler declined to comment on the possibility that this situation could cause that currency to fall to the lowest bracket of the international market rates. He added that it is a hypothetical situation.

He expanded on one point, that of interest rates. He termed as "doubly mistaken" the argument of those who propose the convenience of placing domestic interests at the same level of the interest rates of developed countries, adjusted to the risk of the country, in order to increase the exchange rate.

In the first place, he explained, "the real exchange rate is currently placed close to its equilibrium level and there are no signs of a breakdown either on the foreign or domestic fronts. In the second place, a more expansive monetary policy would in the medium term lead to a real appreciation of the local currency and not to a depreciation as is being insinuated, because it would generate a greater pressure on the expenditure within the domestic market."

Zahler added that our interest rates are much lower than those currently prevailing in the major Latin American economies.

The official also indicated that in order to maintain a level of domestic expenditure that is compatible with the prudent use of foreign borrowing, domestic interest rates — in view of current domestic savings — must be higher than those prevailing in the major industrialized economies. "In time, high investment rates such as the current ones, or additional increases in the domestic savings rates, will lead to a closure of that gap. But, that is not possible today," he said.

Coalition Leaders React to Pinochet's Remarks

PY1509165095 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 15 Sep 95

[FBIS Translated Text] General Pinochet's latest speech has stirred up a great uproar. In response to his proposal on the need to forget the past concerning human rights matters, the government said that the truth must first be known. The Coalition has termed Gen. Pinochet's words insolent.

[Begin recording] [Defense Minister Edmundo Perez Yoma] Forgetting the past is something good, but I think in any type of therapy, truth must first be known.

[First unidentified correspondent] Gen. Pinochet had said that one must have personality to achieve reconciliation.

[Perez Yoma] I think personality is required in everything, and this personality is demonstrated in different ways. Each has different ways of showing personality. We in the government have one way of showing our personality. We have done so by submitting a number of proposals to Congress; these proposals are now under discussion. I am very optimistic about the results of those proposals.

[Second unidentified correspondent] Have you not taken those remarks as a criticism of the government, of the president, or of the minister?

[Perez Yoma] No. I have not perceived them in this manner, and I do not think it was anybody's intention to do so.

[Patricio Hales, Party for Democracy secretary] With those words, Gen. Pinochet is showing disrespect toward the president of the Republic, who does not deserve them, especially if we recall that what Pinochet had in order to govern were weapons, primarily, and nothing else.

[Deputy Jorge Pizarro, vice president of the Christian Democratic Party] In the case of Pinochet, what is personality? To give the wrong orders? To engage in abuse of power, or abuse of force and repression, to take thousands of military people on the streets, to systematically violate human rights? What is the personality to which he is referring? To act aggressively or with violence? One might ask: Why didn't Gen. Pinochet have sufficient personality to stop General Contreras from systematically violating human rights? Why didn't he do so when he had all the power in his hands?

[Camilo Escalona, Socialist Party president, from Congress, in progress] ...the characteristics of sobriety, of bravery, of a martial nature which are supposed to inspire the exercise of the military profession, were totally pushed aside yesterday, to give us a show that could be either of a mediocre circus — without any intention to offend the mediocre circuses — or of a demagogue.

[Deputy Juan Antonio Coloma, Independent Democratic Union] It is obvious that to be a president, one must have a strong personality. This is a great truth that has been known for ages. Now, if anyone wants to take this as a political criticism from the commander in chief to the president of the Republic, I think there is too wide a gap here. [end recording]

Summoned Ambassador To Return to France

PY1609033395 Santiago Universidad Catolica Television Internacional in Spanish 0100 GMT 16 Sep 95

[FBIS Translated Text] When France carried out its nuclear test in the Pacific, President Eduardo Frei summoned Ambassador to France Jose Manuel Morales back to Santiago as a sign of protest. After this mission was accomplished, President Frei ordered him to return to France.

[Begin recording] [Unidentified correspondent] When the first French nuclear test was carried out in the Pacific, President Frei decided to summon the Chilean ambassador in Paris back to Santiago to report in detail on the French Government's nuclear tests which have been condemned by various countries around the world. A meeting on this issue was held today. Foreign Minister Jose Miguel Insulza commented on the meeting.

[Insulza] In a clear sign of protest the ambassador was summoned back to Santiago to report on what happened. The ambassador already came and will return to France in the next few days because we believe it is important that the ambassador remain in France to keep us permanently informed of what is happening and to explain the Chilean Government's position on the nuclear tests.

[Correspondent] Insulza pointed out that Chile will actively participate in the UN meetings to be held in the United States starting 21 September, where coordinated efforts will be undertaken to achieve an immediate moratorium on the French and Chinese nuclear tests. [end recording]

Colombia

Alleged Plot Against President Uncovered in Quito

PA1509220895 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 15 Sep 95

[Report by Gustavo Yanez; from the "Seven O'Clock Newscast"]

[FBIS Translated Text] A plot against President Ernesto Samper during his recent visit to Ecuador was confirmed today in Quito when authorities arrested two Colombians linked to the conspiracy.

Two Colombian refugees in Ecuador were charged by the Ecuadoran military intelligence of being members of Colombian subversive groups and attempting on the life of President Ernesto Samper during his visit to Quito to attend the recently concluded Group of Rio summit.

The Ecuadoran military intelligence report that was presented before a Pichincha court requests the deportation of the two Colombian nationals. However, during the hearing that took place yesterday afternoon, the two Colombians' defense attorney rejected the accusations and urged the court to overrule the deportation in view of the fact that the Colombians are in Ecuador as political refugees.

[Begin recording] [Defense Attorney Patricio Avila, in progress] ...an arbitrary arrest, a six-day isolation period... [end recording, in progress]

In addition, the defense lawyer complained that the arrest of the two Colombian nationals by the Ecuadoran military had been arbitrary since it had been carried out by soldiers wearing Ecuadoran police uniforms.

The Pichincha OID [expansion unknown] office contradicts the military intelligence accusations and found no evidence leading to believe that the two Colombians were involved in an alleged plot against President Samper.

[Begin recording] [Colombian refugee Ramon Perez, in progress] ...he was the one who gave the order for them to pour lime juice in my left eye.

[Colombian refugee Cesar Diaz] For the record, I would like to state that I have received death threats from the commander of the (Picachima) Barracks, if I am not mistaken, here in the city of Quito. [end recording]

The accused charge that during the investigation they underwent torture at the Colombian military attache in Quito.

Reports on Territorial Disputes With Nicaragua, Venezuela

Water Incident With Venezuela

PA1609202795 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 16 Sep 95

[Report by Ivan Dario Parra, from the "Cripton Newscast"]

[FBIS Translated Text] [Announcer] Attention, we have urgent last minute news from reporter Ivan Dario Parra.

[Parra] Yes, Adriana, a new incident has just occurred along the Colombian coast involving a Venezuelan corvette. We are in direct communication with Dr. Augusto Mainero, president of the Vikingo Company. Dr. Maineros, what exactly happened just a few minutes ago?

[Maineros] At 0930 this morning, the motorboat Redes 9 was seized while it was fishing 4.6 miles north of Punto Espada in Colombian territorial waters. The boat is at this moment being escorted by a Venezuelan patrol boat toward the Punto Fijo Naval Base in Venezuela.

[Parra] Dr. Maineros, did they fire at the Colombian vessel?

[Maineros] The Venezuelan patrol boat fired a warning shot in the water very near the boat, ordered it to follow a certain course, and they are currently heading toward Venezuela.

[Parra] Was the Vikingos vessel navigating in Colombian waters?

[Maineros] The vessel was fishing 4.6 miles north of Punto Espada in the La Guajira Colombian Peninsula.

[Parra] Thank you very much, Dr. Maineros, president of Vikingos Company.

Samper on Nicaraguan, Venezuelan Claims

PA1609202895 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 16 Sep 95

[Interview with President Ernesto Samper by Emilia Serrano in Corosal Municipality, Sucre Department; from the "Cripton Newscast" — recorded]

[FBIS Translated Text] Today in Corosal Municipality, we spoke with President Erneso Samper on relations with Venezuela and Nicaragua.

[Begin recording] [Serrano] What is the Colombian Government's position on the situation endured by

Colombian fishermen from La Guajira and on the attack they suffered from a Venezuelan corvette?

[Samper] We are very concerned, especially about the kind of action adopted to stop the boat, by firing on it. We have asked the Venezuelan Government for a thorough investigation on what could have led its authorities to act this way to stop the boat.

[Serrano] With regard to Nicaragua and the San Andres islands, how is the dialogue going?

[Samper] The foreign ministers will hold a first meeting and as we said yesterday in San Andres, the border issue will not be touched. This will be a dialogue aimed simply at improving relations between the two countries and to make progress in other areas.

Samper Visits Disputed Island

PA1609044595 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 16 Sep 95

[Report by Orlando Guerrero; from the "Seven O'Clock Newscast"]

[FBIS Translated Text] President Ernesto Samper and several ministers and congressmen visited San Andres Island today. Their trip is seen as an attempt to reconfirm Colombia's sovereignty over the island. President Ernesto Samper met high-level military officers and authorities on San Andres air base. The head of state later inaugurated the judicial branch's new higher court buildings. The court will be run by three magistrates, whose mission will be to resolve conflicts among the archipelago's residents. President Samper spoke of possible dialogue with the Nicaraguan Government:

[Begin Samper recording] We do not want relations with these friendly countries to be reduced to episodes of often explosive territorial conflicts. We must continue seeking new rapprochement mechanisms. [end recording]

Samper Expects Explanation From Venezuela

PA1709233195 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 17 Sep 95

[From the "Cripton Newscast"]

[FBIS Translated Text] The Colombian Government expects Venezuela to offer a clear and precise explanation over the incidents with the Vikingo enterprise's fishing boats.

In Sincelejo, President Ernesto Samper said this:

[Begin Samper recording] I expect the incidents to be just accidents rather than the result of deliberate actions by Venezuelan authorities. The Colombian Government expects Venezuelan authorities to cooperate fully with the Colombian Government in the investigation of the first incident. [end recording]

During a sovereignty ceremony in San Andres, Defense Minister Juan Carlos Esguerra also referred to the incidents provoked by Venezuelan armed ships, who attacked Colombian fishing boats in Colombian territorial waters.

[Begin Esguerra recording] It will be necessary to handle this matter as we have done before, by way of understanding and dialogue. All of the things which people formerly thought had to be settled by baring our teeth to one another should be talked over instead. This is a much better way. [end recording]

Government Appoints Deputy Foreign Minister

PA1609030995 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 15 Sep 95

[From the "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Juan Fernando Cristo, communications adviser to the president, has been appointed deputy foreign minister for Europe, Asia, and Oceania affairs. He secured the position through the loyalty and professionalism that he demonstrated during his year with the communications section.

Ecuador

Government Expresses Support for Vice President

PY1609030995 Quito Voz de los Andes in Spanish 2300 GMT 15 Sep 95

[FBIS Translated Text] The Ecuadoran Government officially expressed today its support for Vice President Alberto Dahik, who is facing corruption charges.

Government Minister Abraham Romero said the government expresses its solidarity with the vice president because it believes he did nothing wrong to deserve a trial in Congress and another trial in the Supreme Court. Romero asserted that there are no disagreements among the cabinet ministers over support for the vice president.

Peru

Fujimori Speaks at UN Women's Conference in Beijing

PY1609030595 Lima Radio Programas del Peru Network in Spanish 1700 GMT 15 Sep 95

[Report by UN Reporter Laura Tiatkovskiy in Beijing]

[FBIS Translated Text] Peruvian President Alberto Fujimori criticized today the hierarchy of the Peruvian Catholic Church for carrying out a campaign to prevent the family planning policy proposed by his government.

Speaking before the UN Fourth World Conference on Women, President Fujimori said he does not intend to create an opposition to the Vatican but to debate this issue on the basis of ethical and humane principles.

[Begin Fujimori recording] One should not be afraid [words indistinct] to exchange views on any issue involving human beings because this is the only way societies have progressed. [end recording]

Fujimori said he is convinced the time has come to do away with the old frame of mind which obstructs the full development of women and consequently of humanity. Peruvian women, Fujimori said, will no longer continue to be fenced in or subdued by the intransigence of the ultraconservative minds which prevent them from accepting social changes in their religious beliefs.

[Begin Fujimori recording] Therefore, we will not stop in our effort to carry out a great national campaign to fully disseminate all the methods of family planning which science put at our disposal, not to install an evil power but to light the torch of hope and to move toward a new century which must allow the beginning of the dignification of all people. [end recording]

As proof of his commitment, Fujimori said the national budget includes special appropriations for family planning. Alberto Fujimori was the only male president who participated in the UN Fourth World Conference on Women and his presence showed how important this conference was for him.

Fujimori commented that his aides had advised against his visit, but that he came to Beijing anyway because he believed this was not just a simple meeting of women but a great forum of fighters who deserve the respect and highest attention of states and governments.

[Begin Fujimori recording] The fact that I dared to come here to this conference on women has an advantage and a disadvantage. The disadvantage is that you are seeing in me a male president which in some way represents traditional male power. The advantage is that I believe I am before a nontraditional audience with whom I can communicate frankly, without prejudice, and in a realistic, and fluid manner as I am accustomed. Because I am not a president wearing suits and ties, who runs the country from the government house in Lima. I am a president who wears blue jeans and sandals, who is committed and goes where the problems are. [end recording]

Fujimori said poverty affects women twice as much, but they are better organized to struggle against adverse conditions. He pointed out that he sees such conditions at least four times a week when he visits the poor districts of the main cities of the country. Fujimori recognized the role played by Peruvian women in the struggle against hyperinflation which in 1990 reached 7,000 percent and against the terrorism prevailing when he became president. He said Peruvian women are the ones really responsible for the so-called Peruvian economic miracle. He made a commitment to gradually increase the resources for women until it reaches 50 percent of the social spending before the year 2,000.

[Begin Fujimori recording] I have in the next five years of constitutional mandate an urgent task in my country, that is to continue with the greatest impulse, with political determination the struggle against poverty and the centuries-old backwardness. This is the only war declared by Peru and its people. I am leaving Beijing and this conference strengthened with ideas and proposals which are a real revolution. [end recording]

Government Promulgates Job Development Law

PY1509223695 Lima EXPRESO in Spanish 29 Jul 95 p A24

[FBIS Translated Text] The government yesterday promulgated the Job Development Law. This new law introduces important changes to the job stability concept by providing conditions to promote the creation of new jobs in the country.

President Fujimori specifically addressed this issue in his Independence Day Speech. He said: "The Job Development Law will create the proper framework so that companies may hire youths as apprentices so that they may acquire training in addition to receiving an income."

He added: "In so doing we are addressing two basic problems: the lack of training and the lack of jobs. After the contract expires, companies will issue a certificate corroborating the training and experiences of the young workers."

Through this program, youths between 16 and 25 years of age who have not finished their technical or superior education will receive theoretical and practical on-the-job training, thus allowing them to have greater access to a specific job.

In view of this, it is established that the youth job training agreement in one single company will last no longer than 36 months, including extended or alternate terms.

In addition, it is established that the number of youths in the job training program may not exceed 30 percent of the company's entire labor force, including full-time employees or those contracted under various labor plans such as for cooperative or service companies for part-time or seasonal work.

According to the new law, an indefinite job contract is presumed to exist in all cases involving payroll or hired employees.

An individual job contract may be signed for an indefinite term or under different terms, that is part-time or seasonal contracts. The signing of indefinite part-time contracts is not forbidden.

It is also established that the worker's trial period shall last three months, at the end of which he is entitled to be protected against arbitrary dismissals.

Fair causes for dismissal without the right to compensation are related to the workers' behavior, the so-called serious misdemeanors.

Among these causes for dismissal are nonfulfillment of job duties, planned or consummated misappropriation of the employers' goods or services, and the use or furnishing of secret information to third parties.

Those workers dismissed because of failure to meet performance requirements are also not entitled to compensation. In this regard, Arturo Woodman, the Confiep [National Confederation of Private Business] chairman, said: "This does not mean that businessmen will exploit this situation and dismiss people. A good worker will never lose his job."

If the dismissal is unjustified, the worker is entitled to be compensated for one month's salary for each year of service, for a maximum total of 12 salaries. Fractions of the year, will be paid monthly and daily.

The company is entitled to terminate the contract of its employees for "objective" causes: fortuitous and for circumstances beyond control; economic, technological, structural or similar reasons.

When employees are dismissed because of the above-mentioned reasons, they are entitled to be reinstated when the employer decides to hire new personnel within the year they were fired.

In case of bankruptcy or liquidation of partnership, workers have the first option to purchase company assets and equipment that will allow them to either continue or replace their job source.

Unpaid salary and social benefits may be applied toward the purchase of assets and equipment.

Special labor contracts, that is temporary and seasonal contracts, may be signed if there is a market demand or there is an increase in the company's production whenever a worker is hired for a maximum of 5 years.

If a worker is hired by the same employer for two consecutive seasons or three alternate seasons, he will be entitled to be hired in the following seasons.

Special labor contracts are for an indefinite term whenever the worker continues to work after the estimated expiration date or it is agreed to extend the contract beyond the maximum period allowed.

Job Cooperatives, Temporary and Job Development Cooperatives, [Cooperativas de Trabajo y Fomento del Empleo y las Cooperativas de Trabajo Temporal] (seasonal and complementary service companies) must award their associates incomes and job conditions similar to those enjoyed by workers contracted by companies conducting analogous activities.

If the comparison is not applicable, the income of a member of the cooperative should not be lower than the monthly minimum salary.

Moreover, he should be awarded all the social benefits established in the labor code for private companies.

It is established that the number of cooperative workers serving a given company will not exceed 20 percent of all workers. All workers exceeding this percentage will be considered personnel that is directly contracted by the company.

The same penalty will be applied when the number of personnel hired from seasonal service companies exceeds 20 percent.

Seasonal service companies and cooperatives have up to 180 days, as of yesterday, to make all the necessary adjustments.

Retirement is mandatory for workers entitled to a pension issued by the Social Security Office [Oficina de Normalizacion Previsional] or the National Pension System.

This is whenever the employer is committed to pay the difference between this pension and 80 percent of the last ordinary salary received by the worker, in addition to making periodic readjustments.

Retirement is mandatory and automatic when the worker becomes 70 years of age unless it is agreed to extend to postpone the implementation of the regulation.

Uruguay

Mercosur Sector Creates Business Organizations

PY1509023195 Montevideo LA MANANA in Spanish 1 Sep 95 p 38

[FBIS Translated Text] Cezar Schirmer, agriculture and supply secretary of Rio Grande do Sul State presided over the signing ceremony of three documents that involve the Sustained Forestry Development Council of the Mercosur [Common Market of the South], the Agriculture and Supply Secretariat, the Development and International Affairs Secretariat, the Federal University of Santa Maria, and Procerg [not further identified]. The ceremony was held at the Administrative Center of the Assis Brasil Park.

Some 25 organizations from the private and government sectors of Brazil, Argentina, Uruguay, and Paraguay, all of them are members of CEDEFOR [not further identified] participated in the ceremony. As a result of this ceremony, these countries are now members of the Business Exchange of the Forestry Sector of Mercosur, an organization that will register all enterprises that have activities linked to the forestry sector.

Ronaldo Dornelles, director of the Renewable Natural Resources Department of the Agriculture Secretariat, said there are between 40,000 and 50,000 industries in Mercosur that have activities directly linked with raw materials within the forestry sector.

Once the process of registration is concluded, access to information regarding the sector can be obtained through Internet, thus making business more agile within the sphere of Mercosur. The task of registration is already being carried out in Rio Grande do Sur by the Renewable Resources Department.

A document creating a Technological Development Center at the Federal University of Santa Maria was also signed. A third document facilitates the creation of a training center to exchange information on technologies in the sphere of furniture and carpentry sectors, and industries linked to the sector.

'Text' of Constitutional Reform Agreement

PY1509181895 Montevideo LA MANANA in Spanish 1 Sep 95 p 4

["Text" of political agreement for a Constitutional amendment reforming the political system signed by delegates of the Colorado Party, the National Party, New Space, and Progressive Encounter, at the office of Colorado Party Senator Americo Ricardoni in Montevideo on 31 August]

[FBIS Translated Text]

1. Introduction

Delegates have agreed on some points considered essential to enable the institutional reform bill to be approved. Negotiations started in March of this year.

A) The reform must include a constitutional amendment and changes to current laws on political parties and the electoral system.

B) The reform must be politically feasible, which presupposes preserving the current spirit of compromise between the delegates of the four political parties that have negotiated this agreement.

C) The agreement must include a proposal for a constitutional amendment through the congressional procedures established by Article 331, Item D, of the Constitution. The final proposal must be limited to those topics that seek to resolve the difficulties created by our current political reality, which is quite different from the reality at the time the Constitution was approved.

The same criteria will be applied when studying the current legislation on political parties and the electoral system.

D) To end, at least for now, the task assigned to the delegates who sign this document. The document will next be submitted to their respective political leaderships for them to decide the circumstances for the approval of a definitive text.

E) If the political parties represented in this document consider it necessary to draft the text of the amendments, the task must be started as soon as possible to avoid creating the impression among the people that, once again, politicians are unable to efficiently resolve the constitutional problems facing the country.

2. Agreements and other subjects considered

A) Single Presidential Candidates

a) The delegates agreed to amend Article 151 of the Constitution to prevent an accumulation of votes obtained by various presidential candidates participating under a single lema. In this way, in practice, it would be almost impossible for a party that divides its support between more than one presidential candidate to succeed.

b) In addition, and in order to pursue what is stated above, the four political groups that sign this document publicly commit themselves to legally establish, in the same legislative act that approves the constitutional amendment, to the presentation of more than one candidate per party. This does not preclude the inclusion of a transitory disposition in the Constitution establishing the same principle in case of delay in approving a law on the subject in Congress.

c) The selection of a single presidential candidate per lema will be done through internal elections or primaries as established by law.

d) Primaries will be held the last Sunday of November of the year prior to the national election.

e) Delegates did not consider if registered voters participation in primaries will be compulsory.

B) Run-off Elections

a) If none of the presidential candidates running for office on a single ticket per political party polls more than 50 percent of the vote at a general election, a run-off election will be held between the two slates that received the highest number of votes. This run-off will be held as soon as possible. To this end, the Electoral Court should be provided with the necessary legal and financial means.

b) One of the delegates made it clear that in his view, which is shared by several party leaders, there is consensus on this proposal even though no official decision was taken in that regard.

c) The run-off election excludes seats in Congress.

C) Permanent and Occasional Political Parties

a) The current distinction between permanent and occasional parties will be eliminated by amending the provisions of Article 79 of the Constitution pertaining to this issue.

b) The establishment of occasional parties following primary elections should be barred by regulation.

One of the delegates opposed the inclusion of this paragraph.

c) Occasional parties can be set up both at national and departmental levels.

d) Occasional parties will register with electoral authorities pursuant to the regulations establishing the requirements to be met for such purpose.

E) Parliamentary Elections

a) Practices which are currently acceptable by virtue of existing regulations and which prevent voters from properly identifying candidates on several slates are to be eliminated. This prohibition will probably entail a constitutional amendment and legal modifications.

b) Consequently, the fielding of several lists by each party for seats in the Chamber of Deputies will also be forbidden.

One of the delegates proposed a similar prohibition to be applied to the Senate.

c) A lawmaker of the party that received the most votes for legislative posts will preside over the Chamber of Deputies during the entire term of the legislature.

d) It is necessary — or at least advisable — to fully analyze the so-called "third vote-count" without changing the proportional representation principle. Nevertheless, no concrete formulas were proposed. There was consensus of opinion on the fact that this is a legal rather than constitutional subject because it is included in a law enacted in October 1925.

E) Relationship Between National and Departmental Elections

a) Delegates assessed the possibility of allowing electors to vote for candidates of different parties at national and departmental levels ("split ticket") without adopting any decision.

b) Delegates also analyzed the possibility of holding separate elections for national and departmental authorities. The majority — there was no unanimity among the four delegates — were in favor of amending the Constitution to enable the holding of national and departmental elections separately to be decided by a law that must be passed by two-thirds of the Chamber of Deputies.

c) One delegate said the "split ticket" and the separation of national and departmental elections should be included in the Constitution. Another delegate seconded the motion.

F) Territorial Decentralization

a) Article 262 of the so called "wide-ranging state reform" [which was voted down in Congress under President Luis Alberto Lacalle] will constitute the basis for territorial decentralization although this does not mean that it will be fully followed.

b) It is particularly advisable to transcribe the text of the last paragraph of the said article, which reads: "Departmental governments will be empowered to reach agreement among themselves as well as with the executive branch and government-run companies and banks, on the organization of activities and the provision of services whether they be for their own departments or common to several departments both in their respective territories and at a regional or interdepartmental level."

G) Municipal Participation in Budget Planning

a) Delegates agreed on the need to include in the constitutional reform provisions stipulating that departmental heads will be allowed to express their opinions over the revenue-sharing scheme (Article 297 paragraph 13 of the Constitution) before the executive submits to Congress the budget put together by the Planning and Budget Office.

b) Article 297, Paragraph 13 of the Constitution will therefore be amended to read: "The Budget Law will establish the percentage share from the total budget revenues."

The rest of the paragraph, namely "... to be earmarked for municipal public works." will be eliminated.

H) Candidacies for Departmental Heads

a) The spawning of candidates for departmental heads must be stemmed.

b) Most delegates agreed that candidates for departmental heads should be limited to two or three.

One delegate is seeking his party's final position on this issue.

I) Local Elective Boards

a) Although there was no in-depth analysis of this subject, a delegate proposed that Local Elective Boards should be established at the initiative of the departmental head with the consent of the respective Departmental Board. The legislative branch should no longer intervene in the establishment of these elective boards

b) If considerations in the foregoing paragraph are to be adopted a decision would have to be reached on the reasonably large number of people entitled to vote under the jurisdiction of the Local Elective Board.

c) The other alternative is to leave current regulations as they stand.

J) Referendum

a) The second paragraph of Article 79 of the Constitution will be amended.

b) The percentage of registered voters required to present a referendum will be decreased from 25 percent to 20 percent.

c) The deadline for presenting a referendum will also be reduced from one year to 120 days.

d) These amendments will not be applicable to laws promulgated before the date the constitutional reform becomes effective.

K) Constitution Sections VII, VIII, and IX

a) The four delegates agreed on the impossibility of agreement on the procedure and consequences of tackling the reform pursuant to the provisions of Article 147 and subsequent "wide-ranging state reforms."

b) One delegate moved that the practice of presenting cabinet members at the beginning be optional rather than mandatory. The other delegates seconded this motion. The same delegate motioned that the vote of censure by Congress be maintained and that the special majorities that condition the president of the Republic's decisions be eliminated. The other delegates rejected this motion and likewise the one about the declaration of a crisis of congressional support for the president of the Republic. (Article 150 on the "wide-ranging state reforms"]

c) Two of the political parties represented accepted early congressional elections on condition the same system could apply to the president of the Republic, but the other two parties disagreed with the idea of having the head of state risk his investiture.

d) Despite what has been pointed out in paragraphs a) and c), the four delegates agreed that the constitutional reform should include regulations empowering the head of state to remove from office the directors of government-run companies and banks when he deems it necessary for the establishment of a coalition. The appointment of new directors would be with the consent of the Senate and be subject to the majorities currently provided for in the Constitution.

e) The president of the Republic will be unable to use this discretionary power during the first year of his term or within the 15 months of a change of government.

f) No in-depth analysis was made on limiting the number of times the president of the Republic may remove directors of government-run companies and banks from office.

g) No agreement was reached on the proposal by one delegate to modify the majorities established in the Constitution for overriding presidential "vetoes" (Article 1337 and subsequent ones) as well as "urgency" laws (Article 168 Paragraph 7).

h) The proposal listed in paragraph g) suggest that in the case of laws dealing with powers exclusively vested in the executive branch, Congress may only override an executive branch's partial or full veto by a three-fifth majority of the total members of both chambers. It adds that whenever the national government submits to Congress emergency bills touching upon the president's exclusive powers, deadlines established for each chamber to consider said bills will be shortened.

L) Control Over the Legislative Branch Budget

a) Legal and constitutional provisions will be incorporated so as to clearly empower the Court of Audits to issue a statement on the Congress budget both on its legality and its advisability.

b) Publication of the main items comprising the Legislative Branch's budget will be mandatory.

Venezuela

Caldera Announces Increase in Nonpetroleum Exports

PA1709122395 Caracas EL GLOBO in Spanish 15 Sep 95 p 2

[FBIS Translated Text] Total exports of nonpetroleum products have increased from $260 million registered in 1970, which was the year when the Foreign Trade Institute was created, to $4.5 billion at present. President Rafael Caldera made the announcement during the ceremony where the Andean Group decorated him with the "Order of Merit for Outstanding Services to Andean Integration."

President Caldera said that as time goes by Venezuela becomes more committed in the struggle for Andean, Latin American, and hemispheric integration.

The event was held at the Boyaca Hall of the Miraflores Palace, where he was decorated by Daniel Mazuera, Colombian foreign trade minister and president of the Andean Group.

President Caldera said that integration is not only a commercial process, but a program involving economic, political, and social actions that must be implemented in Latin America.

Caldera Calls For Joining Efforts To Overcome Crisis

PA1709002495 Caracas Venezolana de Television Network in Spanish 0200 GMT 16 Sep 95

[Report by Pedro Prado; from "The News" newscast]

[FBIS Translated Text] President Rafael Caldera has said we are going through a new era which is very important for the country's future. He added that he is convinced that through efforts from all Venezuelans, the obstacles hindering the development of our nation will be overcome.

[Begin Caldera recording] By joining all our efforts, we will not only overcome obstacles that have emerged during the past few years and which have hindered our activities, particularly in the economic field; we will also fully recover our self-esteem, and will be more aware of how privileged we are to have been born and live in this land which has so many conditions and characteristics for a happy life. [end recording]

Those were President Caldera's words during a ceremony commemorating the 18th anniversary of the Permanent Secretariat of the National Council for Security and Defense, Seconasede, which advises the Presidency of the Republic and the National Armed Forces.

Caldera said that part of our future is found in the south.

[Begin Caldera recording] We are aware of the integrity of our territory and destiny, of the need to join all our efforts in order not to abandon an important area, not only because of its size, but also because of its own characteristics. In that sense, I especially want to thank Seconasede for its cooperation in this future task. [end recording]

Although the work is not easy, Seconasede is ready to do its part.

[Begin Seconasede President General Otto Garcia recording] The great internal enthusiasm of our organized society in carrying forward interesting development projects, a phenomenon perceived daily by those who are part of the great project of attaining sustainable development in the south [word indistinct). This clearly shows that Venezuela has begun its take off toward those horizons of well-being and progress that all proud Venezuelans want, applaud, and support unconditionally. [end recording]

Caldera said he is confident that this project will make it possible to recover two conditions that have been lost in the past years due to the current crisis: self-esteem, and awareness of the privilege to live in a country like Venezuela.

Attorney General Advises Prompt Liquidation of Seized Banks

PA1609041495 Caracas Venezolana de Television Network in Spanish 0200 GMT 13 Sep 95

[From "The News" newscast]

[FBIS Translated Text] [Station announcer Mario Jota] In the opinion of the Attorney General's Office, the liquidation of the eight banks that were seized in the wake of the Banco Latino collapse must begin on 26 October at the latest. The Financial Emergency Board fully concurs with this opinion, since the state continues to lose money.

[Begin recording] [Reporter Beatriz Hernandez] Attorney General Jesus Petit Da Costa gave this legal advise to Finance Minister Luis Raul Matos Azocar, as he considered that it is impossible to continue maintaining the physical structures and the personnel of those banks that received the financial assistance from Fogade [Deposit Guarantee and Banking Protection Fund] that ended up in the pockets of the fugitive bankers.

[Petit] It is time to end the takeovers. They have lasted too long. It is now time to end the takeovers, as they have gone beyond a reasonable period. The general banking law states it very succinctly. Takeovers must conclude or be implemented in the shortest period possible.

[Hernandez] The banks to be liquidated include corporations, leasing companies, and the like and their names are: Banco Comercial Amazonas, Bancor, Banco Metropolitano, Banco Barinas, Banco Construccion, Banco Maracaibo, Banco La Guaira, and FIVECA Banco de la Inversion.

The attorney general also explained that if anyone is interested in purchasing any of the eight banks seized the liquidation process will simply be suspended and the bank will be sold. [end recording]

Foreign Minister on Nonaligned Movement Summit, Issues

PA1609022795 Caracas ECONOMIA HOY in Spanish 13 Sep 95 p 4

[Unattributed report: "Nonaligned Countries Must Begin To Look Toward Social Issues"]

[FBIS Translated Text] Foreign Minister Miguel Angel Burelli Rivas supports a reformulation of the objectives of the Nonaligned Movement (NAM), because the objectives for which it was created have disappeared. The proposal of the minister, which will be presented at the upcoming meeting of the NAM in Cartagena de Indias, is that the organization begins to look toward the social situation of Latin America.

This way, Venezuela's position will be in agreement with the one gaining strength in Colombia and other Latin American countries. It has not yet been decided if the president will be present at the meeting.

"We are taking the proposal that if that forum must continue because it is advisable, it should be more useful than what it has been up to now because nowadays there is no such thing as nonalignment. Today all countries are Nonaligned and the basic concept that led to the group's creation lacks foundation, because there is no East-West. This is what in 1950 determined justification for the existence of the Nonaligned, when Tito, Nehru, and Nasser were the great men who maintained an intermediate line between the two antagonistic blocs in the world," the foreign minister remarked.

Burelli Rivas was asked about an alleged pronouncement by the Colombian guerrillas, in which they admitted that the assault on Cararabo was a mistake, "a foolish action."

The foreign minister termed this "informal" remark of the guerrillas curious and, above all, the fact that they affirmed that "Venezuela wants to get involved in the struggle against guerrillas in Colombia."

"Venezuela does not accept the war; neither the war coming from them nor the one caused by them," Burelli Rivas explained flatly.

[ECONOMIA HOY] But isn't Venezuela planning to make a new pronouncement?

[Burelli Rivas] That is the declaration of the guerrillas. We do not maintain relations with the Colombian guerrillas, which would be the only thing that would justify our issuing a note.

Return of Vehicles [subhead]

The members of the commission that will review the documents of the Venezuelan automobiles stolen and taken to Colombia left yesterday for Santa Fe de Bogota. There are no specific figures on the number of vehicles that have been taken to the neighboring country. The minister said he has heard about 1,450 vehicles, but "there may be 60,000, 80,000 or 20,000."

Burelli Rivas stressed the importance of the decree issued by President Samper in which he banned public administration officials from using cars stolen in Venezuela.

[Caracas Venezolana de Television Network in Spanish at 1545 on 13 September broadcasts a two minute report on statements by the foreign minister which adds: "Meanwhile, the foreign minister declared that Venezuela has issued its stand on the nuclear tests being carried out in France. Burelli Rivas declared that 'Venezuela expressed its position in the voice of the foreign minister three months ago and in the Quito communique, which includes a very strong paragraph on France's conduct on the continuation of nuclear testing.'"]

Defense Minister Reacts to FARC Guerrilla Publication

PA1609014995 Caracas EL GLOBO in Spanish 13 Sep 95 p 2

[Report by Judith Martorelli]

[FBIS Translated Text] Commentaries published in RESISTENCIA, mouthpiece of the Revolutionary Armed

Forces of Colombia (FARC), has induced the head of the Venezuelan Army to reply.

The guerrilla had stated in that newspaper that Colombian diplomatic circles intend linking Venezuela to the antiguerrilla struggle the neighboring country has been carrying out over several decades.

Our country's defense minister, who yesterday delivered his weekly report in Miraflores Presidential palace, replied to some questions in connection with the RESISTENCIA publication that stated that the attack to the Carabobo river garrison by Colombia's Army of National Liberation, was a mistake.

[Defense Minister Brigadier General] Moises Orozco said he had read the information and especially referred to our country's alleged links to the antiguerrilla struggle.

"It is something that is totally false" he said and stressed that "Venezuela has no guerrillas or groups with ideology to take power or that are struggling to create a revolution. The guerrillas are totally Colombian."

The guerrillas are so entirely Colombian, as far as Gen. Orozco Graterol is concerned, that he persisted in describing as truly "bandit" the actions carried by them, which affect our territory.

Regrettably, he said, we have suffered bandit border attacks such as theft, kidnappings, contraband, and drug trafficking. It has been proven, he went on, that many of these irregular groups support drug trafficking, such as the case of contraband of propellers.

To counter these actions, the general said, we will continue patrolling, but it is difficult to maintain total border control.

On the topic of security and public order, Defense Minister Moises Orozco Graterol ratified that the hike in gasoline prices does not warrant that the National Armed Forces put into action preventive plans against disturbances.

[Martorelli] But there have been certain disturbances, such as in Valencia.

[Orozco] We all know that in Barbula there are a group of hooded individuals, many of them who are not even students, and this is one of the points that has been put across to the university dean, to bring order to this university. Every week in Barbula there are attempts to set on fire, hijack, and loot vehicles, but this does not mean there are disturbances at a national level.

[Martorelli] Is there not fear that protests such as La Urbina be repeated here in Miranda?

[Orozco] I do not believe a domino effect will be generated. State police and the governor's office should take steps to enforce order in that area, which is characterized by disorders, such as the burning and hijack of vehicles.

Defense Minister Moises Orozco Graterol said that the National Armed Forces is investigating the possible connection between certain retired officers and the attempt to steal arms that took place in the Maracay detachment.

In this incident, an aviation technician lost his life, which at first was believed to be suicide, although afterward it was established that he had been murdered during an attempt to steal weapons.

Orozco gave assurances that the judicial investigation of the case is in the summary process and that the judge dealing with the case ordered the arrest of Captain Wilson Marin and "an accomplice who is an aviation technician." He explained that "enquiries continue as to the connection with these officers."

[Martorelli] Could there be a connection with higher ranks officers?

[Orozco] I do not believe so. I think this is an outside operation.

[Martorelli] Civilian?

[Orozco] I could not say. It could be officers who at one time or another were involved in the 27 November events [27 November 1992 officers' uprising — second failed coup attempt against President Carlos Andres Perez in 10 months] or groups who are attempting to gain power by other than democratic means.

[Martorelli] Are there insurgent aftermaths within the FAN [National Armed Forces]?

[Orozco] No. In this case the officer was involved in the 1992 incidents, but had been benefited by President Caldera's policy [March 1994 pardon], who at the start of his administration admitted several of them into the FAN.

Finance Minister: Budget Renewal Effective Strategy

PA1609011895 Caracas EL NACIONAL in Spanish 13 Sep 95 p 1E

[Report by Telmo Almada]

[FBIS Translated Text] Finance Minister Luis Raul Matos Azocar stated yesterday that the renewal of the 1995 budget during the 1996 fiscal year seems to be the administrations most effective strategy to reach its objectives in assigning funds for next year.

Faced with the National Congress' refusal to approve the 1996 Budget Proposal presented by the executive branch, a renewal means that a budget similar to the 1995 budget will be implemented which includes the same budget allocations, changes, transfers, adjustments, and additional credits.

According to Matos Azocar, this strategy will the spare the administration from having to confer with Congress in joint commissions regarding the assignation of funds in keeping with various interests, which has been the traditional practice. Matos Azocar said the 1995 Budget "is a bad experience" in that respect, and that because of this experience the manner in which the budget is prepared "has to be changed."

Ironically, it is the executive branch that is using the renewal mechanism as an instrument for negotiations with Congress. Before, it was the legislators who "threatened" not to approve the budget and the need for its renewal, when the time came to negotiate the assignation of the budget's funds.

The demands of the Finance Ministry are summed up in a "Viable budget program" response which includes:

— The creation of a Fund for Rescuing the Government Debt, a priority issue when Congress reconvenes, because the service debt in 1996 of 13.5 billion bolivars, and in 1997 of 12.5 billion bolivars, "practically make the budget unworkable."

— Revision of the Law of Public Finances because it is an instrument which dates from the Roman Cardenas period and must be adapted to the billion dollar figures currently being handled.

— The creation of a Stabilization and Assignment of Resources Fund, which includes additional income originating, for example, from oil rents or privatizations, to be earmarked for priority areas, such as the payment of labor obligations and "essential investments."

Matos Azocar said that the administration "is not concerned if these changes cannot be approved before November," to apply them to revision of the 1996 budget. In any case, the budget will be renewed.

The minister emphasized that he is not willing to resort to "the old scheme of sitting down to negotiate budget allocations" with Congress. Matos Azocar said the process should begin by establishing a ceiling on income," which is 3.4 trillion bolivars.

Matos Azocar said: "There is no change in the estimated income. If any congressman is displeased with this, he is free to vote against the budget proposal. Therefore, the administration is prepared to renew the budget."

[Almada] Does not the increase in gasoline prices allow for discussion regarding an income ceiling increase?

[Matos Azocar] Until the administration decides to do so, it is not necessary to include this increase.

[Almada] If the executive branch implements the renewal, could you implement your Fiscal Viability Program? It appears that under that scheme neither the administration nor Congress benefit.

[Matos Azocar] The ideal situation would be for the two sides to reach an agreement, but with the renewal we can implement some of the elements of the program. The fact that Congress does not approve the budget is not incompatible with the approval or not of the Fund for Rescuing the Government Debt.

INCREASING RESERVES

Matos Azocar said that the emission of 399 billion bolivars in Treasury Bonds intended to capture funds to honor our debt commitments "will be aimed entirely at the internal market" This foretold that the Finance Ministry had reached an agreement with the private banks shortly before the announcement. Matos Azocar met with the bankers to have them absorb this thick stack of documents.

Regarding the international reserves situation, which have been decreasing, Matos Azocar said that the country's economic growth shows signs of improvement and that we are going to have total reserves exceeding $10 billion in the next few days.

Matos Azocar also referred to certain areas "in which an excess in imports has been detected," due to which "I have spoked with the JAC [Exchange Administration Board] to follow-up on the normal inventory of companies to avoid excess inventories which might affect other sectors."

Matos Azocar disclosed that the results of the first semester 1995 increased approximately 1.5 percent increase in the GDP [Gross Domestic Product] and equal zero growth in the non-petroleum sector.

Matos Azocar assured that the intention of the executive branch is to end 1995 "current in regards to overdue debt payments" which include 130 billion bolivars in arrears since 1994.

Finance Ministry's Inspection Director Explains Dismissal

PA1509233295 Caracas EL NACIONAL in Spanish 14 Sep 95 p 1E

[Report by Werther Sandoval]

[FBIS Translated Text] "It is not possible that an individual ingrained in the Seniat [Integrated National Service for Tax Administration], such as Jose Ignacio Moreno Leon, is leading a campaign to get me out as if I were a bum, only because I work at a Directorate that is not suited to his work."

This is what Gustavo Rivera Torrealba, Finance Ministry's inspection and supervision director, said at a news conference held to explain his dismissal. Minister Luis Matos Azocar decided on 12 September to dismiss him because Rivera was involved in alleged irregularities regarding the use of the foreign exchange the company Representaciones Semary purchased to import exotic fruits.

Angry, Rivera indicated his wish to explain that his dismissal is due to other reasons. "The Seniat is an autarchic organization that refuses to be controlled by the Comptroller General's Office or the Finance Ministry's Inspection and Supervision Directorate."

Rivera affirmed that the only contact he had with Representaciones Semary took place when he revoked the 7 June 1994 Resolution 52, in which a 804.8 million bolivar fine was imposed to this company for having imported merchandise prior to obtaining the proper foreign exchange purchase authorization.

Having imported the merchandise without receiving dollars violates Article 15 of Decree 326 of 31 August 1995, which stipulates that "the authorization to purchase foreign exchange to import merchandise must be issued by the JAC [Exchange Administration Board] or the proper organization prior to the purchase of the merchandise."

This is why, in his opinion, what was under discussion was whether the authorization was issued prior to or after the authorization was issued. [sentence as published]

"Notice that the JAC's responsibility is defined here, because the authorization must have been issued by this institution, not by the importer."

However, he pointed out that the guideline was not well enforced in this case, because it is responsibility of the JAC, not of the importer. "The sanction is for the JAC, not for the company that brought the merchandise. In addition, the issuance date, 19 January 1995, is one thing, and the date in the foreign exchange authorization, 20 February, is another.

He explained that 20 February, when the Plaza Bank was notified, was the date used to sanction the company. The important thing is that Semary had the import authorization since 19 January and that it imported the merchandise on 21 January, therefore, we are not talking about whether Semary bought the product prior to being authorized to do so.

Director Rivera insisted that the fine on Semary was a mistake, because an unapplicable legal norm was adopted: there was talk about violating Article 37 of Decree 627, which states the following: "Without prejudice to the corresponding legal sanctions, those who carry out operations to purchase or sell foreign exchange in the country without abiding by the guidelines of the foreign exchange system shall be fined."

"I did not consider whether this company committed other violations when I imposed the fine. I know only that, from a legal standpoint, this sanction was nonsense," he said, adding that "I was sanctioned with dismissal without even being heard."

The inspection and supervision director underscored that the finance minister lacked resolve and firmness in light of the pressure the media exerted.

"Matos said that 'here are these three victims responsible for the theft of and assault to the national treasury' in order to appease public opinion. I cannot allow myself to be involved in this sort of things and allow people to say that I was involved in a problem regarding apples."

Treasury Bonds Not To Be Placed in Foreign Markets

PA1509233195 Caracas EL GLOBO (EL GLOBO ECONOMIA Supplement) in Spanish 13 Sept 95 p 1

[Report by Sandra La Fuente Portillo]

[FBIS Translated Text] Although it has been more than 15 days and Finance Minister Luis Raul Matos Azocar did not give the "surprise" he said he would, that Venezuelan securities will be placed in the foreign market, the official said Tuesday that no part of the treasury bonds to be placed by the Executive will be issued abroad.

He recalled that the Finance Committee has already approved the issuance of public debt bonds worth 149 billion bolivares backed by the Umbrella Law and that the Congress has not given the nod to the Special Indebtedness Law to place another debt instruments for 400 billion for the same purposes [as published].

Since it was reported that the government will go to foreign markets, as Matos Azocar said, speculation arose that part of the treasury bonds, with a total close to 550 billion bolivares, would be issued in other countries.

The finance minister, however, with the endorsement of his ministry's Public Finances Director Mauricio Roitman, is certain that local banks can absorb the placement of said bonds.

The bond issue for 149 billion bolivares, will end the delay in servicing the public debt for 1995, and 1994 also. It is estimated that the delay amounts to 130 billion bolivares, according to Roitman, and corresponds to the foreign and domestic public debts.

Matos Azocar reiterated that the Executive is prepared to tacitly renew next year's budget if the Congress has not approved it by 30 November. He noted that the Congress has no reasons to reject the budget bill.

Matos repeated that he has proposed to the Congress a fiscal viability program to be established through the Foreign Debt Rescue Plan, which was approved in the first debate, and the Stabilization Fund, which will be supported with additional funds and are to be used to service the foreign debt and allocate resources to investment expenditures and labor liabilities, as priority areas.

Another proposal made consists of amending the Public Treasury Law and the public administration law. "I hope we can have these approved within a national accord," he said.

Roundup of Venezuelan Economic Developments

PA1509191695

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Venezuela monitored through 13 September.

The presidents of the Venezuelan Investment Fund (FIV) and the Venezuelan Guayana Corporation (CVG) carried out a preselection of the investment banks interested in underwriting the privatization process of several of the state—owned aluminum companies. The investment firms planning to compete in the process include Morgan Stanley & Co. Inc., Chemical Bank Corporation, Citibank, N.A., Goldman Sachs & Co., Merrill Lynch, and Solomon Brothers. It has not yet been decided if the seventh bank to take part in the preselection process will be First Boston Corp. or Swiss Bank. The Venezuelan state-owned firms to be privatized during the first half of 1996 include Alcasa (Caroni Aluminum Inc.), Carbonorca (Orinoco Coal Company), and Venalum (Aluminum Company of Venezuela, Inc.). (Caracas EL UNIVERSAL in Spanish 12 Sep 95 p 2-4)

According to a report released recently by the Corporate Management and Finance Division of Venezuelan Guayana Corporation, the firm accrued loses totaling 26.669 billion bolivares during the first half of 1994, and 33.399 billion bolivares in profits during the first six months of 1995. The same report explains that total net utilities accrued by three of the country's main aluminum companies, Alcasa, Carbonorca, and Venalum, during the first half of 1995 amounted to 11.429 billion bolivares. Of the three, only Carbonorca reported any profits during 1994. (Caracas ECONOMIA HOY in Spanish 11 Sep 95 p 3)

A Lagoven official pointed out that the crude oil production potential of this oil company estimated for the first six months of the year amounts to nearly 320,000 barrels per day. At the beginning of the year, it had been initially estimated that Lagoven was capable of producing approximately 300,000 barrels per day. However, this estimate was revised when five new oil fields entered into operation during the first months of the year and boosted productivity estimates by nearly 20,000 barrels per day. (Caracas EL UNIVERSAL in Spanish 11 Sep 95 p 2-2)

Venezuelan Petroleum, Inc., intends to contribute nearly $14 billion during the next 10 years to the Petroleum Investment Fund that is scheduled to begin operating during the first quarter of 1996. The project, which has already been approved by the National Congress, is aimed at becoming a mechanism for any investor interested in investing in the profitable petroleum sector. The main objective of the petroleum fund is to attract capital that will in turn be used to undertake projects the government plans to activate as part of its petroleum opening process. (Caracas ECONOMIA HOY in Spanish 8 Sep 95 p 10)

On Wednesday, 6 September, the Central Bank of Venezuela (BCV) placed 37.997 billion bolivares in Monetary Stabilization Bonds (TEM), an amount that represents 36.7 percent of the 60 billion bolivares being offered by the BCV. Of the total amount placed yesterday, 27.997 billion bolivares correspond to notes with an 82-day maturity, while the remaining 10 billion bolivares notes carry a 171-day maturity. Repayment of the 82-day maturity TEM, which is scheduled to mature on 30 November 1995, will take place on 1 December. These notes bear a nominal interest rate of 43.56 percent and a 0.1485-percent premium. The average rate of return for this paper amounts to 39.11 percent, which means a 2.17 percentage point drop with respect to the

89-day note sold on 30 August. (Caracas ECONOMIA HOY in Spanish 7 Sep 95 p 1)

Corpoven, a Venezuelan Petroleum, Inc. subsidiary, reported nearly 3.6 billion bolivares in savings during the first six months of the year as a result of improvements, optimization, and reengineering procedures implemented during the period. (Caracas ECONOMIA HOY in Spanish 7 Sep 95 p 14)

Venezuelan exports to the Andean Group nations increased by 42 percent during the first half of the year and consolidated the country as one of the group's main exporting nations followed closely by Colombia. According to recent figures provided by the Cartagena Agreement Board (Junac), Venezuela exported $637 million during the first six months of 1994, and $901 million during the January-June 1995 period. Colombia, Venezuela's main trading partner, increased the amount of goods imported from $534 million during the first half of 1994 to $735 million during the same period of 1995, equivalent to a 38-percent increase. (Caracas EL NACIONAL in Spanish 6 Sep 95 p E-10)

CVG-Alcasa (Caroni Aluminum, Inc.) reported a net profit of 1.673 billion bolivares in the first half of 1995. Company officials attributed the good results to improved sales, cost reductions, and lower administrative expenses. The CVG affiliate's earnings totaled 30.403 billion bolivares during the same period. The average price of aluminum in the international markets is $1.932 per tonne. (Caracas EL NACIONAL in Spanish 6 Sep 95 p E-9)

Treasurer Cesar Gimon has stated that the National Tresury's deficit will total 25 billion bolivares in 1995, an amount he called manageable. Gimon explained that the deficit is expected to total 204.711 billion bolivares by the end of 1995 but that 179 billion of that amount was accumulated from 1994. (Caracas EL GLOBO (EL GLOBO ECONOMIA Supplement) in Spanish 6 Sep 95 p 3)

A survey by the Venezuelan Council of Industries (Conindustria) on the industrial situation has revealed that the industrial sector employed a total of 361,722 workers during the first quarter and 364,849 workers during the second quarter. Big industries employ 182,337 workers, small industries employ 84,965, while medium industries employ 48,904 workers. The majority of workers come from the food, beverage, and tobacco sectors, and most are employed in the capital region of the country. Of the companies surveyed, 46.69 percent said their production levels have risen. (Caracas REPORTE DIARIO DE LA ECONOMIA in Spanish 6 Sep 95 p 10)

The Conindustria survey on the industrial situation revealed that 52,633 jobs were lost during the second quarter of 1995, putting the unemployment rate at 13 percent. The survey also disclosed that industrial production rose by 40.89 percent. (Caracas Venezolana de Television Network in Spanish 0200 GMT 6 Sep 95)

The Central Statistics and Data Processing Office has reported that imports rose by 21.2 percent, totaling $5.928 billion, from January through July of 1995. (Caracas EL GLOBO (EL GLOBO ECONOMIA Supplement) in Spanish 9 Sep 95 p 7)

The average price of Venezuelan crude oil during the first half of 1995 was $14.34 a barrel. (Caracas EL GLOBO (EL GLOBO ECONOMIA Supplement) in Spanish 9 Sep 95 p 2)

Pequiven (Petrochemical Company of Venezuela) President Arnold Volkenborn has stated that exports by Pequiven and the companies with which it is involved in joint ventures totaled $410 million from January to June of 1995. Overall production was 3.104 million tonnes. Pequiven spent 5.638 billion bolivares in investment projects and registered a net profit of 21 billion bolivares during the same period. (Caracas EL NACIONAL in Spanish 9 Sep 95 p E-8)

Guyana

Officials Probe Illegal Gold Export 'Racket'

*FL1609020795 Bridgetown CANA in English
2138 GMT 15 Sep 95*

[FBIS Transcribed Text] Georgetown, Guyana, Sept 15, CANA — Top officials of the Customs Department and Finance Ministry are probing a big racket involving hundreds of millions of U.S. dollars worth of gold illegally exported to the United States.

The Guyana Government moved after it received information from the United States Customs Department, which showed large amounts of Guyana gold being exported by businessmen were not being declared to local customs officials before it left the country. Only the Guyana Gold Board and the giant majority Canadian-owned Omai Gold Mines Limited (OGML) are authorised to export gold from Guyana.

Government meanwhile is advising that if the businessmen involved are willing to make right their obligations to the customs department it might "look favourably" on granting them amnesty.

Finance Minister Bharrat Jagdeo stated that from data received the sum owing to customs from these businessmen this year was approaching G1 billion (G1 = .007

U.S. cents). He also reported government was not focusing on prosecuting the businessmen.

"I don't want to prosecute anybody. I am interested only in collecting the taxes owed to the government," Jagdeo said. He however warned that government reserves the right to resort to legal action if the defaulting exporters do not pay up the five percent royalty and two percent tax on their gross takings. He indicated that some of the illicit exporters had come forward and indicated their willingness to fulfill their tax obligations to the Inland Revenue Department.

Official sources told CANA vast quantities of gold varying between 28 and 48 pounds were sold to a variety of United States firms including Precious Metals Incorporated and Republic Metals Incorporated.

According to the sources, a big gold exporter, in one year alone, exported some 35,000 ounces of gold worth about U.S. 9.2 million. The source said that government believes that approximately five billion Guyana dollars worth of gold duty could be recouped from shipments over the last five years by illegal exporters.

A top official of the body that monitors gold exports, the Guyana Gold Board, told CANA he knew of the matter from newspaper reports but had not been contacted by the finance minister.

Contacted Friday, executive secretary of the Guyana Gold and Diamond Miners Associatiion (GGDMA) Tony Shields told CANA government's statement about the activity of illegal miners had put all miners in Guyana "in a bad light."

"If there are a thousand miners operating in this country and four or five are part of this then the percentage ratio will show that this is nothing unusual of people in any industry doing certain things in any industry," Shields said. He said if government wanted the assistance of the association in this matter, "it should give us the names of the culprits."

"If you going public, then go clean and say these are people involved..."

"The fact that the Guyana Gold and Diamond Miners have been requested to assist in publicising this incident to its members, the association believes that it can only make a contribution by having one to one discussion with any individual who has been identified as taking part in this type of exercise," Shield said.

He is calling on Jagdeo to give the association the names of the miners involved. The miners' association has 175 members. And co-leader of the Working People's Alliance (WPA), Dr. Rupert Roopnarine, in an invited comment said Finance Minister Jagdeo's reference to amnesty for the major illegal exporters of gold "even before they are charged, shows the double standards that are becoming normal in our society."

Rooperanine says the government must ensure that Guyana does not become a resort for "white-collar highwaymen" while petty offenders are "dragged before the courts to give a semblance of law and order in our lives." He noted that the illegal gold exporters had shown no mercy on the "poor people of this nation. They are simply motivated by greed."

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